TRISTAR GOLD, INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in United States Dollars)

For the three and six month periods ended June 30, 2017 and 2016

Reader's Note: These condensed consolidated interim financial statements for the three and six month periods ended June 30, 2017 and 2016 of TriStar Gold, Inc. have been prepared by management and have not been subject to review by the Company's auditor.

TriStar Gold, Inc.

Condensed Consolidated Interim Statements of Financial Position (Unaudited)

(Expressed in United States Dollars)

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents (Note 7)	**$ 3,717,253**	$ 1,674,263
Accounts receivable	**17,210**	13,266
Prepaid expenses	**50,366**	56,129
Total current assets	**3,784,829**	1,743,658
Non-current assets:		
Mineral properties and deferred expenditures (Note 8)	**15,213,825**	14,048,562
Plant and equipment, net (Note 9)	**2,267**	1,049
Total non-current assets	**15,216,092**	14,049,611
Total assets	**$ 19,000,921**	$ 15,793,269
Liabilities and Shareholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 303,519**	$ 181,537
Total current liabilities	**303,519**	181,537
Non-current liabilities:		
Provisions (Note 10)	**316,874**	310,687
Warrants liability (Note 11)	**1,451,079**	782,874
Total non-current liabilities	**1,767,953**	1,093,561
Total liabilities	**2,071,472**	1,275,098
Shareholders' equity:		
Share capital (Note 12)	**41,413,745**	38,389,642
Capital reserve (Note 12 and Note 13)	**3,930,074**	3,791,752
Accumulated deficit	**(28,414,370)**	(27,663,223)
Total shareholders' equity	**16,929,449**	14,518,171
Total liabilities and shareholders' equity	**$ 19,000,921**	$ 15,793,269

Nature of Operations and Going Concern (Note 2)
Commitments and Contingencies (Note 18)

Approved on behalf of the Board of Directors.

Director: "Mark E. Jones, III"
Director: "Nicholas Appleyard"

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

TriStar Gold, Inc.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(Unaudited)

(Expressed in United States Dollars)

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Expenses:				
General and administrative (Note 15 and Note 17)	**$ 502,460**	$ 375,869	**$ 980,232**	$ 771,603
Foreign exchange (gain) losses	**(151,589)**	29,838	**(143,934)**	15,085
	350,871	405,707	**836,298**	786,688
Other income (expenses):				
Warrants liability fair value change (Note 11)	**(150,827)**	1,081,754	**79,706**	(1,407,394)
Bank charges	**(1,259)**	(1,344)	**(2,535)**	(2,621)
Interest income	**5,698**	918	**7,980**	1,736
	(146,388)	1,081,328	**85,151**	(1,408,279)
Net income (loss) and comprehensive income (loss) for the period	**$ (497,259)**	$ 675,621	**$ (751,147)**	$ (2,194,967)
Basic income (loss) per share (Note 16)	**$ (0.00)**	$ 0.01	**$ (0.01)**	$ (0.02)
Diluted loss per share (Note 16)	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.02)
Basic weighted-average number of shares outstanding (Note 16)	**150,385,564**	109,651,108	**144,354,438**	109,010,555
Diluted weighted-average number of shares outstanding (Note 16)	**150,385,564**	129,903,450	**144,354,438**	109,010,555

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

TriStar Gold, Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited)

(Expressed in United States Dollars)

	Common Shares		Capital	Deficit and Accumulated Other Comprehensive	Total Shareholders'
	Number	Amount	Reserve	Loss	Equity
Balance at December 31, 2015	105,001,046	$32,820,763	$ 3,640,164	$ (25,519,802)	$ 10,941,125
Shares issued on exercise of warrants (Note 11 and Note 12)	4,705,076	715,962	-	-	715,962
Shares issue on debt payment (Note 12)	161,909	22,058	-	-	22,058
Net loss and comprehensive loss for the period	-	-	-	(2,194,967)	(2,194,967)
Balance at June 30, 2016	109,868,031	$33,558,783	$ 3,640,164	$ (27,714,769)	$ 9,484,178

	Common Shares		**Capital**	**Deficit and Accumulated Other Comprehensive**	**Total Shareholders'**
	Number	**Amount**	**Reserve**	**Loss**	**Equity**
Balance at December 31, 2016	**135,523,769**	**$38,389,642**	**$ 3,791,752**	**$ (27,663,223)**	**$ 14,518,171**
Shares issued on exercise of warrants (Note 11 and Note 12)	2,829,607	522,232	-	-	522,232
Shares issued on financing, net of share issued cost (Note 12)	17,108,267	2,501,871	-	-	2,501,871
Stock-based compensation (Note 12 and Note 14)	-	-	138,322	-	138,322
Net loss and comprehensive loss for the period	-	-	-	(751,147)	(751,147)
Balance at June 30, 2017	**155,461,643**	**$41,413,745**	**$ 3,930,074**	**$ (28,414,370)**	**$ 16,929,449**

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

TriStar Gold, Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

(Expressed in United States Dollars)

	For the three months ended		For the six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Operating activities				
Net income (loss) for the period	**$ (497,259)**	$ 675,621	**$ (751,147)**	$ (2,194,967)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation (Note 9)	**334**	304	**639**	608
Stock-based compensation (Note 12 and Note 14)	**73,099**	-	**73,099**	-
Warrants liability fair value change (Note 11)	**150,827**	(1,081,754)	**(79,706)**	1,407,394
Changes in non-cash operating working capital:				
Accounts receivable	**(6,982)**	(2,843)	**(3,944)**	(7,364)
Prepaid expenses	**(5,663)**	10,112	**5,763**	(7,221)
Accounts payable and accrued liabilities	**147,019**	184,004	**121,982**	338,857
Provisions (Note 10)	**(11,696)**	33,847	**6,187**	76,330
Net cash used in operating activities	**(150,321)**	(180,709)	**(627,127)**	(386,363)
Investing activities				
Mineral properties acquisition and exploration (Note 8)	**(791,089)**	(104,642)	**(1,165,263)**	(490,542)
Purchase of equipment (Note 9)	**(1,857)**	-	**(1,857)**	(1,025)
Net cash used in investing activities	**(792,946)**	(104,642)	**(1,167,120)**	(491,567)
Financing activities				
Net proceeds from financing (Note 12)	**3,411,799**	-	**3,411,799**	-
Subscription funds received	**-**	222,559	**-**	222,559
Proceeds from exercise of warrants (Note 12)	**-**	42,237	**425,438**	431,426
Net cash provided by financing activities	**3,411,799**	264,796	**3,837,237**	653,985
Net increase (decrease) in cash and cash equivalents	**2,468,532**	(20,555)	**2,042,990**	(223,945)
Cash and cash equivalents, beginning of period	**1,248,721**	877,621	**1,674,263**	1,081,011
Cash and cash equivalents, end of period	**$ 3,717,253**	$ 857,066	**$ 3,717,253**	$ 857,066

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

1. Corporate Information

TriStar Gold, Inc. ("TriStar" or the "Company") was incorporated on May 21, 2010, in British Columbia, Canada. The Company is listed on the TSX Venture Exchange ("TSX"), under the symbol TSG.V. The address of the Company's corporate office and principal place of business is 7950 E Acoma Drive, Suite 209, Scottsdale, Arizona, United States, 85260.

TriStar was created to hold certain existing Brazauro Resources Corporation ("Brazauro") assets as a result of a Plan of Arrangement Agreement between Brazauro and Eldorado Gold Corporation ("Eldorado"). Under the "spin out" arrangement Brazauro transferred certain Brazilian mineral exploration properties and Eldorado provided a cash contribution for working capital of $10 million to TriStar. The completion of the Arrangement occurred on July 20, 2010.

2. Nature of Operations and Going Concern

TriStar's primary business focus is the acquisition, exploration and development of precious metal prospects in the Americas, including its current focus on advancing the exploration efforts at Castelo de Sonhos ("CDS") located in the Tapajós Gold District of Brazil's northerly Pará State. The Company is concentrating its exploration activities on the CDS property because the Company believes CDS has the potential to host several million ounces of gold.

The Company's current properties are in the exploration stage and have not yet been proven to be commercially developable. The continued operations of the Company and the recoverability of the amounts shown for mineral property are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of such properties, and the future profitable production from or disposition of such properties.

The Company has no source of revenue. Its ability to continue as a going concern and meet its commitments as they become due, including completion of the exploration and development of its mineral property interests and to meet its general and administrative expenses, is dependent on the Company's ability to obtain the necessary financing. The Company relies on the sale of its treasury securities to fund its operations and the Company's cash position is believed sufficient to meet budget expenditures in 2017. Management is planning to raise additional capital to finance operations in late 2017 or early 2018.

For the quarter ended June 30, 2017, the Company incurred a net loss of $497,259 (June 30, 2016: net income of $675,621). The Company's accumulated deficit as at June 30, 2017, was $28,414,370 (December 31, 2016: $27,663,223). The unaudited condensed consolidated interim financial statements ("consolidated financial statements") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year, adverse financial conditions may cast substantial doubt upon the validity of this assumption.

These consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the Consolidated Statements of Comprehensive Loss that may be necessary if the Company was unable to continue as a going concern.

3. Basis of Presentation

Statement of Compliance

The consolidated financial statements for the three and six month periods ended June 30, 2017 and 2016 have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"). Accordingly certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") in effect at June 30, 2017, have been omitted or condensed.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 28, 2017.

3. Basis of Presentation (continued)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

These financial statements are presented in United States dollars ("U.S. dollars"), unless otherwise noted.

4. Significant Accounting Policies

These consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2016, audited annual consolidated financial statements. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016.

5. Critical Accounting Judgments and Key sources of estimation uncertainty

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates based on assumptions about future events that affect the reported amount of assets and liabilities and disclosures of contingent assets or liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported periods.

The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised.

Material areas that require estimates and assumptions as the basis for determining the reported amounts include, but are not limited to, the following:

Going concern

Management considers whether there exists any events or conditions that may cast doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future cash commitments.

Functional currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities within the group is the U.S. dollar. Functional currency of each of the entities was determined based on the currency that mainly influences sales prices for goods and services, labor, material and other costs and the currency in which funds from financing activities are generated.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

Impairment of assets

Management assesses each cash generating unit ("CGU") at each reporting period to determine whether any indication of impairment exists. In addition, management assesses a CGU for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that could be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of derivative financial instruments (Warrants Liability)

Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policy stated in Note 4 to the consolidated audited financial statements. Fair values of warrants have been measured using the Black-Scholes model, taking into account the terms and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

Fair value of stock options and stock based compensation

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 4 to the consolidated audited financial statements. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's stock options.

Mineral resources

The Company estimates its measured and indicated and inferred mineral resources and the exploration target range for Castelo de Sonhos based upon information compiled by Qualified Persons, as defined in National Instrument 43-101.

Information relative to geological data on the size, depth, grade and shape of the mineralized body requires complex geological and geo-statistical judgements to interpret data, which judgements themselves contain significant estimates and assumptions.

Changes in the measured and indicated and inferred mineral resources may impact the carrying value of mineral properties and deferred expenditures.

Provisions

Provisions recognized in the consolidated financial statements involve judgments on the occurrence of future events which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

6. Recent and Future Changes in Accounting Pronouncements

The IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods nor has the Company applied any of these standards.

(Expressed in United States Dollars)

6. Recent and Future Changes in Accounting Pronouncements (continued)

IFRS 9, "Financial instruments" (2014). This is the finalized version of IFRS 9 which contains accounting requirements for financial instruments replacing *IFRS 39 Financial Instruments: Recognition and Measurement.* The new standard contains requirements in the following areas:

> *Classification and measurement.* Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a manner similar to that under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
> *Impairment*. The 2014 version of IFRS introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
> *Derecognition.* The requirements for derecognition of financial assets and liabilities are carried forward from IAS 39.
> This standard is applicable to the Company for annual periods beginning on July 1, 2018. The Company is evaluating the impact of the adoption of this standard on its consolidated financial statements.

IFRS 15, "Revenue from Contracts with Customers" replaces IAS 18, *Revenue*, IAS 11, *Construction Contracts* and a number of related interpretations. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. This standard is mandatory for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company plans to adopt IFRS 15 at the date it becomes effective but its impact is believed to be insignificant.

IFRS 16, *Leases* was published in January 2016 and supersedes IAS 17- *Leases.* IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lease 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. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 has also been applied. The Company is evaluating the impact of the adoption of this standard on its consolidated financial statements.

7. Cash and Cash Equivalents

Cash and cash equivalents include:

	Balance at June 30, 2017	Balance at December 31, 2016
Cash:		
Cash at bank	**$ 74,325**	$ 790,706
Investment accounts	**3,642,928**	883,557
Total	**$ 3,717,253**	$ 1,674,263

As at June 30, 2017 the investment accounts include Canadian Guaranteed Investment Certificates (GIC) for a total balance of $3,456,141 (December 31, 2016: $424,536) with an annual interest rate of 0.08% and maturity dates of less than a year, and saving accounts for a balance of $186,787 (December 31, 2016: $459,021).

8. Mineral Properties and Deferred Expenditures

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures cannot guarantee the Company's title to all of its properties. Such properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers or indigenous land claims, and title may be affected by undetected defects. Certain of the mineral rights held by the Company are held under applications for mineral rights or renewal of mineral rights and, until final approval of such applications is received, the Company's rights to such mineral rights may not be obtained and the exact boundaries of the Company's properties may be subject to adjustment. The Company does not maintain title insurance on its properties.

Castelo de Sonhos Property (Brazil)

On November 9, 2010, the Company announced the signing of an agreement (the "Agreement") with third parties, to acquire 100% of the mineral rights of the Castelo de Sonhos Property. The Company paid the property owners $50,000 upon the signing of a Commitment Letter on April 29, 2010, and $250,000 on February 23, 2011 after the satisfactory completion of the transfer of mineral right's ownership to the Company according to the Agreement. To maintain the Agreement, an additional stream of six-month option payments totaling $2.4 million were payable over a period of 36 months. Two payments in the amount of $100,000 each were made on September 15, 2011, and March 5, 2012, respectively. Another payment in the amount of $125,000 was made on September 3, 2012. Additionally, a payment in the amount of $150,000 was made on March 6, 2013.

On November 19, 2013, the Company signed an Amending Agreement. Under the Amending Agreement, the Company paid the vendors $50,000 and issued to the property owners 1,000,000 shares of the Company, in lieu of a payment of $200,000 which was due on September 3, 2013.

On February 4, 2014, the Company signed an Amending Agreement ("Second Amending Agreement") with the vendor of CDS to extend the due dates of the remaining payments to the vendor. Under the Second Amending Agreement, a payment of $300,000 due on March 13, 2014, was amended to three payments of $100,000 each, with the first such payment due on March 13, 2014, the second payment due in September 2014 and the third payment due in January 2015. The final payment, in the amount of $1,425,000 formerly due in September 2014, was increased by $75,000 and was deferred until July 2015. In addition, under the Second Amending Agreement, the Company agreed to issue 1,000,000 shares of the Company to the vendor and pay $3,600,000 out of production from the property over and above its royalty. At its option, TriStar may pay to the vendor $1,500,000 on or prior to the making of a construction decision in lieu of the payment out of production. Under the Second Amending Agreement the Company issued 1,000,000 shares to the vendor on February 28, 2014, with an estimated fair value at grant date of $112,867, on March 10, 2014, made the first $100,000 payment, on September 3, 2014, made the second $100,000 payment and on December 30, 2014, made the final $100,000 payment.

On May 6, 2015, the Company reached an agreement ("Third Amending Agreement") with the vendor of CDS under which the final payment of $1,500,000, originally due in July 2015 was extended with payments of $500,000 due in July 2015, $300,000 due in January 2016 and $800,000 due in July 2016. The Company also agree to issue 1,000,000 shares of TriStar to the vendor in July 2016. Under the Third Amending Agreement the Company made a payment in the amount of $500,000 on July 10, 2015, $300,000 on January 6, 2016 and $800,000 on July 14, 2016. On July 15, 2016 the Company completed its acquisition of 100% of CDS with the issuance of 1,000,000 shares of the Company to the vendor with an estimated value at grant date of $277,452.

Should a gold deposit with proven and probable reserves in excess of 1 million troy ounces be identified, the vendor will receive an additional $1 for each troy ounce. The property owner will retain a 2% Net Smelter Return royalty, half of which can be purchased by TriStar at any time and which amount will be calculated based on the indicated and measured reserves identified by a feasibility study.

(Expressed in United States Dollars)

8. Mineral Properties and Deferred Expenditures (continued)

Bom Jardim Properties (Brazil)

As part of the Arrangement, the property was transferred to the Company in July 2010.

Bom Jardim is not considered material to the Company at this time although TriStar has retained one exploration license for the Bom Jardim area. No significant work had been conducted on this property in the past 2 to 3 years and no exploration work is planned for the foreseeable future. In December 2016 management decided an impairment was required to reduce Bom Jardim's carrying value to nil.

Mineral properties and deferred expenditures were as follows:

	Balance at December 31, 2016	**Additions**	**Impairments/ Write-Offs**	**Balance at June 30, 2017**
Castelo de Sonhos Properties:				
Acquisition costs	**$ 3,303,945**	$ -	$ -	**$ 3,303,945**
Exploration costs	**10,744,617**	1,165,263	-	**11,909,880**
Total Carrying Amount	**$ 14,048,562**	$ 1,165,263	$ -	**$ 15,213,825**

	Balance at December 31, 2015	Additions	Impairments/ Write-Offs	Balance at June 30, 2016
Castelo de Sonhos Properties:				
Acquisition costs	$ 1,926,493	$ 300,000	$ -	$ 2,226,493
Exploration costs	9,715,064	190,542	-	9,905,606
Total Castelo de Sonhos Properties	11,641,557	490,542	-	12,132,099
Bom Jardim Properties:				
Acquisition costs	13,054	-	-	13,054
Exploration costs	192,482	-	-	192,482
Total Bom Jardim Properties	205,536	-	-	205,536
Total acquisition costs	1,939,547	300,000	-	2,239,547
Total exploration costs	9,907,546	190,542	-	10,098,088
Total Carrying Amount	$ 11,847,093	$ 490,542	$ -	$ 12,337,635

During the periods ended June 30, 2017 and 2016, the additions to exploration costs include the following:

	Three months ended		**Six months ended**	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Castelo de Sonhos Properties:				
Camp costs	**$ 139,424**	$ 36,958	**$ 245,138**	$ 70,447
Wages, salaries and benefits costs (Note 17)	**193,117**	62,781	**320,718**	114,652
Geological analysis costs	**77,218**	-	**104,725**	-
Drilling costs	**296,375**	-	**397,654**	-
Other costs	**84,955**	4,903	**97,028**	5,443
Total Exploration Costs	**$ 791,089**	$ 104,642	**$ 1,165,263**	$ 190,542

(Expressed in United States Dollars)

9. Plant and Equipment

Plant and equipment were as follows:

	Balance at December 31, 2016	**Additions**	**Disposals**	**Balance at June 30, 2017**
Cost:				
Furniture	**$ 9,678**	$ -	$ -	**$ 9,678**
Office equipment	**26,055**	1,857	-	**27,912**
Vehicles	**213,969**	-	-	**213,969**
Field equipment	**55,268**	-	-	**55,268**
Total costs	**304,970**	1,857	-	**306,827**
Accumulated Depreciation:				
Furniture	**(9,678)**	-	-	**(9,678)**
Office equipment	**(25,006)**	(639)	-	**(25,645)**
Vehicles	**(213,969)**	-	-	**(213,969)**
Field equipment	**(55,268)**	-	-	**(55,268)**
Total accumulated depreciation	**(303,921)**	(639)	-	**(304,560)**
Total net book value	**$ 1,049**	$ 1,218	$ -	**$ 2,267**

	Balance at December 31, 2015	Additions	Disposals	Balance at June 30, 2016
Cost:				
Furniture	$ 9,678	$ -	$ -	$ 9,678
Office equipment	25,030	1,025	-	26,055
Vehicles	213,969	-	-	213,969
Field equipment	55,268	-	-	55,268
Total costs	303,945	1,025	-	304,970
Accumulated Depreciation:				
Furniture	(9,678)	-	-	(9,678)
Office equipment	(23,790)	(608)	-	(24,398)
Vehicles	(213,969)	-	-	(213,969)
Field equipment	(55,268)	-	-	(55,268)
Total accumulated depreciation	(302,705)	(608)	-	(303,313)
Total net book value	$ 1,240	$ 417	$ -	$ 1,657

10. Provisions

The provision represents the Company estimates of the taxes it may have to pay on a possible contingent liability for labor severance obligations in Brazil. The possibility of the contingent liability being payable is uncertain. The Company is uncertain about the amount or timing of any outflows of funds, if any were to occur.

The following table presents the changes in the Provision:

	Three months ended		**Six months ended**	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Balance at beginning of the period	**$ 328,570**	$ 260,796	**$ 310,687**	$ 218,313
Change in provision estimate	**(11,696)**	33,847	**6,187**	76,330
Balance at end of the period	**$ 316,874**	$ 294,643	**$ 316,874**	$ 294,643

10. Provisions (continued)

Each reporting period the Company reviews estimated amounts and other assumptions used in the valuation of the provision to reflect events, changes in circumstances and new information available. Changes in these estimates and assumptions may have a corresponding impact on the value of the provision. The changes in the provision estimate are reported in general and administrative expenses (Note 15).

During the period of three and six months ended June 30, 2017, included in the change in the provision estimate are $18,078 and $5,307; respectively, from effect of exchange rates (June 30, 2016: $26,928 and $45,104; respectively).

11. Warrants Liability

Warrants have their exercise prices denominated in Canadian dollars which is not the Company's functional currency and therefore the warrants have been accounted for as a non-hedged derivative financial liability. The derivative liability is recorded at the estimated fair value though profit and loss at each reporting date based upon a Black-Scholes Option Pricing Model. At initial recognition when warrants are issued with the issuance of shares the Company allocates their full fair value as a warranty liability at issuance with the residual value of proceeds raised from the shares issued recorded in common shares. Subsequent changes in the fair value of the warrants liability are recorded in the Consolidated Statement of Comprehensive Income or Loss for the period.

On October 30, 2015, the Company received approval by the TSX for an Early Warrant Exercise Incentive Program ("Warrant Incentive Program") to encourage the early exercise of up to 19,682,250 outstanding common share purchase warrants (the "Eligible Warrants"). The Eligible Warrants were originally exercisable into one common share of the Company at Can$0.13 per share and after the extension they expired December 21, 2016. The Company offered to the warrant holders the option to receive a Warrant Exercise Unit comprised of one common share and one-half of a warrant (a "New Warrant") for each Eligible Warrant exercised from November 16, 2015, until January 15, 2016, at the price of Can$0.13 per Warrant Exercise Unit. Each whole New Warrant allowed the holder to acquire an additional common share of the Company at a price of Can$0.20 per share until December 21, 2016. This offer was not available to Warrant holders who were insiders and pro group members. If an Eligible Warrant holder did not exercise their Eligible Warrants by January 15, 2016, the Eligible Warrants continued to be exercisable into common shares on the same terms that previously existed.

In January 2016, under the Warrant Incentive Program, a total of 3,460,076 common shares were issued as a result of exercise of the same number of share purchase warrants with an exercise price of Can$0.13. A total of $126,482 representing the net fair value of the warrants liability was allocated to common shares. Additionally, under the terms of the Warrant Incentive Program, 1,730,038 New Warrants were issued at a price of Can$0.20 per share exercisable until December 21, 2016. The estimated fair value of the warrant liability at issuance was $80,655.

During the six month period ended June 30, 2016, after closing of the Warrant Incentive Program, a total of 1,245,000 common shares were issued as a result of exercise of the same number of share purchase warrants with an exercise price of Can$0.13. A total of $158,054 representing the fair value of the warrants liability was allocated to common shares.

In July 2016, under a private placement, the Company issued 7,094,104 share purchase warrants exercisable to acquire 7,094,104 shares at Cad$0.55 per share until July 2018 subject to acceleration in certain circumstances. The estimated fair value of the warrant liability at issuance was $799,633.

On December 21, 2016, a total of 5,537,288 share purchase warrants with exercise prices of Can$0.20 and Can$0.13 expired unexercised and were cancelled. The estimated fair value of the warrant liability at expiry date was $1,092,685.

In January 2017, a total of 1,201,000 share purchase warrants with an exercise price of Can$0.20 expired unexercised and were cancelled. The estimated fair value of the warrant liability at expiry date was $62,705.

(Expressed in United States Dollars)

11. Warrants Liability (continued)

During the six month period ended June 30, 2017, a total of 2,829,607 common shares were issued as a result of exercise of the same number of share purchase warrants with an exercise price of Can$0.20. A total of $96,796 representing the fair value of the warrants liability was allocated to common shares.

In April 2017, under a short prospectus financing, the Company issued 8,554,134 share purchase warrants exercisable to acquire 8,554,134 shares at Can$0.45 per share until April 28, 2019. The estimated fair value of the warrant liability at issuance was $844,707.

The following is a summary of changes in warrants:

	Number of Warrants	**Weighted Average Exercise Price**	**Amount**
Balance at December 31, 2016	**11,124,711**	Can$0.42	**$ 782,874**
Exercise of warrants	(2,829,607)	Can$0.20	(96,796)
Warrants expired	(1,201,000)	Can$0.20	(62,705)
Issued warrants	8,554,134	Can$0.45	844,707
Warrants liability fair value change	-	-	(17,001)
Balance at June 30, 2017	**15,648,238**	Can$0.50	**$ 1,451,079**

	Number of Warrants	Weighted Average Exercise Price	Amount
Balance at December 31, 2015	23,010,457	Can$0.15	$ 1,512,370
Issued warrants	1,730,038	Can$0.20	80,655
Exercise of warrants	(4,705,076)	Can$0.13	(365,191)
Warrants liability fair value change	-	-	1,407,394
Balance at June 30, 2016	20,035,419	Can$0.16	$ 2,635,228

The warrants liability fair value change as reported in the Consolidated Statement of Comprehensive Loss includes:

	Three months ended		**Six months ended**	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Warrants expired	$ -	$ -	$ 62,705	$ -
Warrants liability fair value change	(150,827)	1,081,754	17,001	(1,407,394)
Balance	**$ (150,827)**	$ 1,081,754	**$ 79,706**	$ (1,407,394)

As at June 30, 2017, outstanding warrants are as follows:

(Expressed in United States Dollars)

11. Warrants Liability (continued)

Number of Warrants	Weighted Average Exercise Price	Issuance Date	Expiry Date
6,618,917	Can$0.55	July 7, 2016	July 7, 2018
475,187	Can$0.55	July 18, 2016	July 18, 2018
8,554,134	Can$0.45	April 28, 2017	April 28, 2019
15,648,238			

The fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

	June 30, 2017	June 30, 2016
Expected dividend yield	**0%**	0%
Expected volatility	**78.61% - 93.73%**	141.08%
Risk-free interest rate	**0.69%**	0.63%
Expected life	**12 - 22 months**	6 months
Share Price	**Can$0.375**	Can$0.295

12. Share Capital and Capital Reserve

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at June 30, 2017, the Company had 155,461,643 common shares outstanding, and a total of 30,410,606 common shares were reserved for issuance after exercise of options and warrants outstanding.

a. On January 27, 2016, the Company issued 161,909 shares of common shares to settle debt of $22,058.

b. During the six months period ended June 30, 2016, a total of 4,705,076 common shares were issued as a result of exercise of the same number of share purchase warrants with an exercise price of Can$0.13 for gross proceeds of $431,426 which in addition to $284,536 representing the fair value of the warrants liability, were allocated to common shares in the period.

c. On July 15, 2016, under the terms of the Third Amending Agreement signed on May 6, 2015, the Company issued a total of 1,000,000 shares to the vendors of CDS. The shares had an estimated fair value at grant date of $277,452.

d. On July 18, 2016 the Company closed its private placement, announced June 13, 2016, consisting of 14,188,214 units at the price of Can$0.30 per unit for gross proceeds of Can$4,256,464 from which the Company deducted share issue costs, including legal and other fess paid, in the amount of $204,367 for net proceeds of $3,073,964. Each unit consists of one common share and one half (1/2) transferable common share purchase warrant. Each of the 7,094,104 common share purchase warrants entitles the holder to purchase one additional common share of the Company at Can$0.55 per share until July 2018, subject to acceleration in certain circumstances. The fair value of warrants issued in the amount of $799,633 was recorded in warrants liability. In addition, the Company issued 611,872 broker compensation options and the estimated fair value at grant date of $78,490 was recorded in capital reserve. The Company deducted the amount of the fair value of warrants and the broker compensation options from the net proceeds and recorded the remaining amount of $2,195,841 in Common Shares.

(Expressed in United States Dollars)

12. Share Capital and Capital Reserve (continued)

e. In July 2016, upon closing of the private placement, 375,000 options, representing 50% of options granted to a consultant of the Company on April 19, 2016, vested and the estimated fair value of $73,098 was recorded in capital reserve. The options expire on April 18, 2021 and have an exercise price of Can$0.28 per share.

f. In January 2017, a total of 2,829,607 common shares were issued as a result of exercise of the same number of share purchase warrants with an exercise price of Can$0.20 for gross proceeds of $425,438 which in addition to $96,796 representing the fair value of the warrants liability, were allocated to common shares in the period.

g. On April 28, 2017 the Company completed a prospectus-based financing, previously announced on March 23, 2017, consisting of 17,108,267 units at the price of Can$0.30 per unit for gross proceeds of $3,756,975 from which the Company deducted agent's cash compensation in the amount of $177,985 and share issue costs, including legal and other fess paid, in the amount of $167,191 for net proceeds of $3,411,799. Each unit consists of one common share and one half (1/2) common share purchase warrant. Each of the 8,554,134 common share purchase warrants entitles the holder to purchase one additional common share of the Company at Can$0.45 per share until April 28, 2019. The fair value of warrants issued in the amount of $844,707 was recorded in warrants liability. In addition, the Company issued 660,496 agent's compensation warrants and the estimated fair value at grant date of $65,223 was recorded in capital reserve. The Company deducted the amount of the fair value of warrants and the agent's compensation warrants from the net proceeds and recorded the remaining amount of $2,501,871 in Common Shares.

h. In April 2017, upon closing of the short prospectus financing, 375,000 options, representing 50% of options granted to a consultant of the Company on April 19, 2016, vested and the estimated fair value of $73,099 was recorded in capital reserve. The options expire on April 18, 2021 and have an exercise price of Can$0.28 per share.

The following is a summary of changes in common share capital and capital reserve:

	Common Shares		Capital
	Number	Amount	Reserve
Balance at December 31, 2016	**135,523,769**	**$ 38,389,642**	**$ 3,791,752**
Shares issued on exercise of warrants	2,829,607	522,232	-
Shares issued on financing, net of share issued cost	17,108,267	2,501,871	-
Stock-based compensation	-	-	138,322
Balance at June 30, 2017	**155,461,643**	**$ 41,413,745**	**$ 3,930,074**

	Common Shares		Capital
	Number	Amount	Reserve
Balance at December 31, 2015	**105,001,046**	**$ 32,820,763**	**$ 3,640,164**
Shares issued on exercise of warrants	4,705,076	715,962	-
Shares issue on debt payment	161,909	22,058	-
Balance at June 30, 2016	**109,868,031**	**$ 33,558,783**	**$ 3,640,164**

(Expressed in United States Dollars)

13. Stock Option Plan

The Company maintains a stock option plan ("the Plan") for directors, senior officers, employees and consultants of TriStar and its subsidiaries. Under the terms of the Plan, the options are exercisable over periods of up to ten years, and the exercise price of each option equals the closing market price of the Company's stock on the trading day immediately before the date of grant. Any consideration paid by the option holder on the exercise of options is credited to share capital and offset against amounts previously recorded in capital reserve.

The number of shares which may be issued pursuant to options previously granted and those granted under the Plan shall not exceed 18,800,000 at the time of the grant. The options granted under the Plan vest at determination of the Board. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued and outstanding shares on a yearly basis.

The Plan will terminate when all of the options have been granted or when the Plan is otherwise terminated by TriStar. Any options outstanding when the Plan is terminated will remain in effect until they are exercised or they expire.

The following is a summary of the changes in options outstanding and exercisable:

	Number of Options Outstanding	**Number of Options Exercisable**	**Weighted Average Exercise Price of Options (in Can$)**
Balance at December 31, 2016	**14,201,872**	**13,826,872**	**$ 0.21**
Options Granted	660,496	660,496	$ 0.45
Options Cancelled	(100,000)	(100,000)	$ 0.30
Options Vested from previous year	-	375,000	$ 0.28
Balance at June 30, 2017	**14,762,368**	**14,762,368**	**$ 0.22**

	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Exercise Price of Options (in Can$)
Balance at December 31, 2015	14,915,000	14,915,000	$ 0.28
Options Granted	750,000	-	$ 0.28
Options Expired	(1,775,000)	(1,775,000)	$ 0.81
Balance at June 30, 2016	13,890,000	13,140,000	$ 0.21

On April 18, 2016, a total of 750,000 options were granted to a consultant. The options expire on April 18, 2021 and have an exercise price of Can$0.28 per option. On July 7, 2016, 375,000 options vested. The remaining 375,000 options vested on April 28, 2017. The total estimated fair value at grant date of $146,196 was recorded in capital reserve.

During the six month period ended June 30, 2016, a total of 1,775,000 options with a weighted average exercise price of Can$0.81, granted to directors, consultants and employees, expired unexercised.

On July 6, 2016, a total of 300,000 options with an exercise price of Can$0.69, granted to a director on July 6, 2011, expired unexercised.

(Expressed in United States Dollars)

13. Stock Option Plan (continued)

On July 7, 2016, the Company issued 611,872 broker compensation options with an exercise price of Can$0.30 per option. The options expire on July 7, 2018. The estimated fair value at grant date of $78,490 was recorded in capital reserve.

During the year ended December 31, 2016, a total of 2,075,000 options with a weighted average exercise price of Can$0.79 expired unexercised (December 31, 2015: 1,725,000 with an average exercise price of Can$0.20).

On April 28, 2017, the Company issued 660,496 agent's compensation options with an exercise price of Can$0.45 per option. The compensation options expire on April 28, 2019. The estimated fair value at grant date of $65,223 was recorded in capital reserve.

The weighted average exercise price of options issued during the six month period ended June 30, 2017, was Can$0.45 per option (June 30, 2016: Can$0.28). The weighted average fair value at issue date of options issued during the six month period ended June 30, 2017, was Can$0.13 per option (June 30, 2016: Can$0.25).

During the six month period ended June 30, 2017, a total of 100,000 options with a weighted average exercise price of Can$0.30 were cancelled (June 30, 2016: nil).

During the three and six month periods ended June 30, 2017 and 2016 the estimated forfeiture rates were nil.

The fair value of options granted during the periods ended June 30, 2017 and 2016, has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Six months ended June 30, 2017	Six months ended June 30, 2016
Expected dividend yield	**0%**	0%
Expected volatility	**114.18%**	123.60%
Risk-free interest rate	**0.73%**	0.60%
Expected life	**2 years**	3.5 years
Share Price	**Can$0.28**	Can$0.32
Weighted average fair value of options granted	**Can$0.45**	Can$0.25

Option pricing models require the input of subjective assumptions including the expected price volatility, the expected life and forfeiture rate. Changes in these assumptions can materially affect the estimated fair value of the stock options granted. The expected price volatility used was based on the historic volatility of the Company's share price

The following table summarizes information about stock options outstanding at June 30, 2017:

Grant Date	Options Outstanding	Options Vested	Exercise Price	Proceeds upon exercise of options outstanding (in Can$)	Fair Value of Options Outstanding	Weighted Average Remaining Life in Years	Expiration Date
8/23/2012	790,000	790,000	Can$0.45	355,500	225,702	0.1	8/22/2017
4/29/2014	1,700,000	1,700,000	Can$0.15	255,000	120,958	1.8	4/29/2019
2/12/2015	1,600,000	1,600,000	Can$0.20	320,000	177,993	2.6	2/11/2020
12/10/2015	8,650,000	8,650,000	Can$0.18	1,557,000	1,406,379	3.4	12/9/2020
04/19/2016	750,000	750,000	Can$0.28	210,000	146,198	3.8	04/18/2021
7/7/2016	611,872	611,872	Can$0.30	183,562	78,489	1	7/7/2018
4/28/2017	660,496	660,496	Can$0.45	297,223	65,223	1.8	4/28/2019
	14,762,368	**14,762,368**		**$ 3,178,285**	**$ 2,220,942**	**2.8**	

(Expressed in United States Dollars)

13. Stock Option Plan (continued)

The Can$0.30 and Can$0.45 series of options with expiry dates of July 7, 2018 and April 28, 2019 were issued to the underwriters of the 2016 and 2017 financings, respectively.

The weighted average exercise price of the options outstanding at June 30, 2017, is Can$0.22 (June 30, 2016: Can$0.21).

14. Stock Based Compensation

Stock-based compensation related to options granted to employees and non-employees increased the following expenses (Note 15) in the Consolidated Statements of Comprehensive Income (Loss) as follows:

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Consulting fees	**$ 73,099**	$ -	**$ 73,099**	$ -
	$ 73,099	$ -	**$ 73,099**	$ -

These amounts have been recorded as capital reserve (Note 12) in the Consolidated Statements of Financial Position.

15. General and Administrative Expenses

General and administrative expenses consist of the following:

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Consulting and professional fees (Notes 14 and Note 17)	**$ 142,892**	$ 37,181	**$ 241,506**	$ 68,167
Change in provisions (Note 10)	**6,382**	6,919	**11,494**	31,226
Depreciation (Note 9)	**335**	304	**639**	608
Insurance	**3,043**	3,056	**6,015**	5,921
Office	**16,516**	17,028	**28,681**	33,768
Rent	**20,168**	16,542	**39,285**	29,531
Salaries and benefits (Note 17)	**249,697**	271,758	**513,000**	526,970
Shareholder relations	**18,383**	4,982	**64,123**	33,416
Travel and meals	**45,044**	18,099	**75,489**	41,996
Total	**$ 502,460**	$ 375,869	**$ 980,232**	$ 771,603

16. Basic and Diluted Loss per Share

The following table sets forth the computation of basic and diluted loss per share:

(Expressed in United States Dollars)

16. Basic and Diluted Loss per Share (continued)

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Numerator:				
Net income (loss)	**$ (497,259)**	$ 675,621	**$ (751,147)**	$ (2,194,967)
Numerator for basic income (loss) per share	**(497,259)**	675,621	**(751,147)**	(2,194,967)
Effect of warrants dilution	**-**	(1,081,754)	**-**	-
Numerator for diluted loss per share	**$ (497,259)**	$ (406,133)	**$ (751,147)**	$ (2,194,967)
Denominator:				
Initial balance of issued common shares	**138,353,376**	109,448,031	**135,523,769**	105,001,046
Effect of shares issued on financing	**12,032,188**	-	**6,049,332**	-
Effect of shares issued on debt payment	**-**	-	**-**	138,779
Effect of warrants exercised	**-**	203,077	**2,781,337**	3,870,730
Denominator for basic income (loss) per share	**150,385,564**	109,651,108	**144,354,438**	109,010,555
Effect of diluted securities: Warrants	**-**	20,252,342	**-**	-
Denominator for diluted loss per share	**150,385,564**	129,903,450	**144,354,438**	109,010,555
Basic income (loss) per share	**$ (0.00)**	$ 0.01	**$ (0.01)**	$ (0.02)
Diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.02)

During the three and six month periods ended June 30, 2017 and the six month period ended June 30, 2016 the warrants and stock options were excluded from the computation of diluted loss per share as their inclusion would be antidilutive.

During the three month period ended June 30, 2016 the stock options were excluded from the computation of diluted loss per share as their inclusion would be antidilutive.

17. Related Party Transactions

Key management personnel compensation comprised:

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Short term employee benefits: Salaries (Note 15)	**$ 174,618**	$ 174,195	**$ 349,506**	$ 340,629
Consulting fees	**50,817**	36,287	**102,720**	68,952
	$ 225,435	$ 210,482	**$ 452,226**	$ 409,581

For the six month ended June 30, 2017, short term employee benefits received by key management personnel in the amount of $34,972 (June 30, 2016: nil) were reported in Mineral properties and deferred expenditures (Note 8) under exploration cost of the Castelo de Sonhos project, and the amount of $314,534 (June 30, 2016: $340,629) was recorded in the salaries and benefits expenses account (Note 15) in the Consolidated Statements of Comprehensive Loss.

(Expressed in United States Dollars)

17. Related Party Transactions (continued)

During the three and six month periods ended June 30, 2017, the Company paid consulting fees of $50,817 and $102,720 respectively (June 30, 2016: $36,287 and $68,952 respectively) to directors and officers for advisory services, and did not pay any directors' fees.

For the six month ended June 30, 2017, consulting fees paid to key management personnel in Brazil in the amount of $80,232 (June 30, 2016: $68,952) were reported in Mineral properties and deferred expenditures (Note 8) under exploration cost of the Castelo de Sonhos project.

As of June 30, 2017, the total number of outstanding warrants and options held by directors and officers of the Company was 1,977,839 and 10,225,000, respectively (June 30, 2016: 2,441,067 and 10,525,000, respectively).

During the six month period ended June 30, 2017, a director exercised a total of 1,316,067 warrants (June 30, 2016: 400,000).

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

18. Commitments and Contingencies

The Company leases offices in USA and Brazil and a house in Brazil, with expiration dates ranging between September 2017 and December 2017, for an estimated cost of approximately $6,500 per month and are cancellable within one to three months' notice.

The Company has various property access agreements related to its projects at an estimated cost of approximately $2,000 per month.

There are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject.

19. Segmented Information

Segments are defined as material components of an enterprise about which separate financial information is available and deemed relevant in managing the business. All of the Company's operations are within the mineral exploration sector. The Company's exploration operations are centralized whereby the Company's head office is responsible for the exploration results and for providing support in addressing local and regional issues. The Company's mineral properties are located in Brazil.

Information relating to each of the Company's reportable segments is presented as follows:

	Total Assets	Total Liabilities
As at June 30, 2017		
Corporate Office	$ 4,213,762	$ 1,640,012
Mineral Exploration	14,787,159	431,460
Total	**$ 19,000,921**	**$ 2,071,472**
As at June 30, 2016		
Corporate Office	$ 853,011	$ 3,417,068
Mineral Exploration	12,379,786	331,551
Total	$ 13,232,797	$ 3,748,619

(Expressed in United States Dollars)

19. Segmented Information (continued)

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Net loss				
Corporate Office	**$ (448,594)**	$ 741,015	**$ (626,335)**	$ (2,052,980)
Mineral Exploration	**(48,665)**	(65,394)	**(124,812)**	(141,987)
Total	**$ (497,259)**	$ 675,621	**$ (751,147)**	$ (2,194,967)

Geographical information related to non-current assets is presented as follows:

	Canada	United States	Brazil	Total
As at June 30, 2017				
Mineral properties and deferred expenditures	$ -	$ -	$ 15,213,825	**$ 15,213,825**
Plant and equipment	-	2,267	-	**2,267**
Total non-current assets	**$ -**	**$ 2,267**	**$ 15,213,825**	**$ 15,216,092**
As at June 30, 2016				
Mineral properties and deferred expenditures	$ -	$ -	$ 12,337,635	$ 12,337,635
Plant and equipment	-	1,657	-	1,657
Total non-current assets	$ -	$ 1,657	$ 12,337,635	$ 12,339,292

20. Capital Management and Liquidity

The Company considers its cash and cash equivalents, common shares, stock options and warrants as capital. The Company's objective in managing capital is to maintain adequate levels of funding to support exploration of its mineral property interests, maintain corporate and administrative functions necessary to support organizational management oversight, and obtain funding sufficient for advancing the Company's investments.

The Company manages its capital structure in a manner that intends to provide sufficient funding for operational activities. Funds are primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

In order to facilitate management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary with actual spending compared to budget on a monthly basis. The Company's investment policy, in general, is to invest short-term cash on hand in highly liquid short-term interest bearing investments with maturities of less than one year or that may be liquidated with no reduction in principal. This is to ensure working capital is available to meet the Company's short-term obligations while maintaining liquidity and preserving its invested balances.

21. Financial Instruments and Management of Financial Risk

The Company is exposed to potential loss from various risks including currency risk, interest rate risk, liquidity risk, market risk and commodity price risk.

Market Risks

The significant market risks to which the Company is exposed include commodity price risk and interest rate risk.

21. Financial Instruments and Management of Financial Risk (continued)

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivable. The Company invests the majority of its cash balances in short-term, highly liquid and highly-rated financial instruments such as short-term guaranteed deposits, all held with Canadian and USA based financial institutions.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. The Company estimates that its contractual obligations pertaining to accounts payable and accrued liabilities should be satisfied within one year.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of gold. The Company does not have any sales revenue and accordingly no hedging or other commodity-based risks impact its operations.

Market prices for gold historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In respect of financial assets, the Company's policy is to invest cash at variable rates of interest in cash equivalents, in order to maintain liquidity, while preserving capital. The Company is exposed to interest rate risk on its short-term investments which were included in cash and cash equivalents at June 30, 2017. The short-term investment interest earned is based on prevailing one day to one year market interest rates which may fluctuate. Based on amounts as at June 30, 2017, a one percent change in the interest rate would change interest income by approximately $11,000 (June 30, 2016: $4,000). The Company has not entered into any derivative contracts to manage this risk.

Currency risk

The Company operates in USA, Canada, and Brazil. As a result, the Company has foreign currency exposure with respect to items not denominated in U.S. dollars. The three main types of foreign exchange risk of the Company can be categorized as follows:

Transaction exposure

The Company operates and incurs costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

(Expressed in United States Dollars)

21. Financial Instruments and Management of Financial Risk (continued)

Exposure to currency risk

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the U.S. dollar: cash and cash equivalents, accounts receivables, prepaid expenses, accounts payables and other liabilities, provisions and warrants liability. The currencies of the Company's financial instruments and other foreign currency denominated liabilities, based on notional amounts, were as follows:

	June 30, 2017		December 31, 2016	
	Canadian dollar	**Brazilian Real**	Canadian dollar	Brazilian Real
Cash and cash equivalents	$ 3,473,673	$ 44,821	$ 969,757	$ 20,048
Accounts receivable	10,797	6,227	8,461	4,457
Prepaid expenses	20,292	1,233	36,430	2,289
Accounts payable and accrued liabilities	(144,718)	(114,586)	(53,981)	(66,112)
Provisions	-	(316,874)	-	(310,687)
Warrants liability	(1,451,079)	-	(782,873)	-
Net balance sheet exposure	**$ (1,908,965)**	**$ (379,179)**	$ 177,794	$ (350,005)

Translation exposure

A strengthening of the U.S. dollar by 10% against the Canadian dollar and the Brazilian Real at June 30, 2017, with all other variables held constant would have decreased the Company's before tax net loss by approximately $162,000 (at June 30, 2016, would have decreased the Company's before tax net loss by approximately $273,000) as a result of a change in value of the financial assets and liabilities denominated in those currencies.

22. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, interest rate and yield curves observable at commonly quoted interval and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at June 30, 2017, the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

(Expressed in United States Dollars)

22. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents (Note 7)	$ 3,717,253	$ -	$ -
Liabilities			
Warrants liability (Note 11)	-	1,451,079	-
	$ 3,717,253	**$ 1,451,079**	**$ -**

The following table provides the carrying value and the fair value of financial instruments at June 30, 2017:

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents (Note 7)	$ 3,717,253	$ 3,717,253
Accounts receivable	17,210	17,210
	$ 3,734,463	$ 3,734,463
Financial liabilities		
Accounts payable and accrued liabilities	$ 303,519	$ 303,519
Derivative instruments		
Warrants liability (Note 11)	$ 1,451,079	$ 1,451,079

23. Subsequent Events

On July 20, 2017, a total of 62,500 common shares were issued as a result of exercise of the same number of broker compensation options with an exercise price of Can$0.30 for gross proceeds of Can$18,750.

On August 3, 2017, a total of 150,000 options with exercise prices between Can$0.15 and Can$0.45 per option were cancelled.

On August 22, 2017, a total of 740,000 options with an exercise price of Can$0.45, granted to directors, consultants and employees on August 23, 2012, expired unexercised and were cancelled.