

PROVENANCE GOLD CORP.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 and 2017
(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited consolidated interim financial statements of Provenance Gold Corp. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

PROVENANCE GOLD CORP.**Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)**

	March 31 2018	December 31 2017
ASSETS		
Current assets		
Cash	\$ 67,409	\$ 66,628
Amounts receivable	31,616	32,007
	99,025	98,635
Exploration and evaluation assets (note 4)	1,038,828	713,513
	\$ 1,137,853	\$ 812,148
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 400,054	\$ 92,849
Share subscriptions advanced (note 6)	488,898	406,398
	888,952	499,247
Loan payable (note 5)	209,467	209,467
	1,098,419	708,714
SHAREHOLDERS' EQUITY		
Share capital (note 6)	722,136	722,136
Deficit	(682,702)	(618,702)
	39,434	103,434
	\$ 1,137,853	\$ 812,148

Nature and continuance of operations (note 1)

Events after the reporting period (note 12)

Approved on behalf of the Board:

Director "Rauno Perttu"
Rauno Perttu

Director "Robert Clark"
Robert Clark

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

PROVENANCE GOLD CORP.**Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)**

	Three months ended	
	March 31	
	2018	2017
EXPENSES		
Bank charges	\$ 173	\$ 18
Consulting and management fees (note 9)	52,500	56,800
Interest (recovery)	-	(1,123)
Office	1,523	1,569
Professional fees	3,784	3,736
Regulatory and transfer agent fees	3,379	6,347
Travel	2,641	482
Loss and comprehensive loss for the period	\$ 64,000	\$ 67,829
Basic and diluted loss per share (note 10)	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding	27,089,164	22,278,098

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

PROVENANCE GOLD CORP.**Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)**

	Number of Shares	Share Capital	Deficit	Total Shareholders' Equity
Balance at January 1, 2017	13,111,431	\$ 52,500	\$ (290,491)	\$ (237,991)
Shares issued under Securities Purchase Agreement (note 6)	11,000,000	269,624	-	269,624
Shares issued in private placement (note 6)	750,000	75,000	-	75,000
Net and comprehensive loss	-	-	(67,829)	(67,829)
Balance at March 31, 2017	24,861,431	397,124	(358,320)	38,804
Balance at January 1, 2018	27,089,164	722,136	(618,702)	103,434
Net and comprehensive loss	-	-	(64,000)	(64,000)
Balance at March 31, 2018	27,089,164	\$ 722,136	\$ (682,702)	\$ 39,434

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

PROVENANCE GOLD CORP.
Consolidated Interim Statements of Cash Flow
(Unaudited - Expressed in Canadian Dollars)

	Three months ended	
	March 31	
	2018	2017
Cash provided by (used for):		
Operating activities		
Net and comprehensive loss for the period	\$ (64,000)	\$ (67,829)
Change in non-cash working capital:		
Amounts receivable	391	(372)
Accounts payable and accrued liabilities	307,205	(4,434)
Cash used in operating activities	243,596	(72,635)
Investing activities		
Cash acquired under Securities Purchase Agreement (note 6)	-	166,955
Exploration and evaluation assets acquired	(325,315)	(36,234)
Cash used in investing activities	(325,315)	130,721
Financing activities		
Proceeds from issuance of shares	-	75,000
Share subscriptions advanced	82,500	-
Cash provided by financing activities	82,500	75,000
Change in cash during the period	781	133,086
Cash, beginning of the period	66,628	724
Cash, end of the period	\$ 67,409	\$ 133,810

Supplementary cash flow information (note 11)

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

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Provenance Gold Corp. ("Provenance" or the "Company") was incorporated in the Province of British Columbia on October 5, 2012. For the period October 5, 2012 to May 31, 2013, the Company was a wholly owned subsidiary of Aldever Resources Inc. ("Aldever"), which is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests.

During October, 2012, Aldever's board of directors approved a plan of arrangement (the "Arrangement") between Aldever and its four wholly-owned subsidiaries, including Provenance. As a result of the completion of the Arrangement on May 31, 2013, Aldever ceased to be a shareholder of Provenance and the Company became a reporting issuer in its own right. Provenance is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests.

On January 16, 2017, the Company changed its name to Provenance Gold Corp.

The Company's principal office and registered and records office is located at 2200-885 West Georgia Street, Vancouver, BC V6C 3E8.

These consolidated interim financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has no source of operating revenue, has incurred operating losses and at March 31, 2018 had a deficit of \$682,702 (December 31, 2017 - \$618,702). The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Further discussion of liquidity risk is included in notes 6 and 7.

These consolidated interim financial statements were authorized for issue on May 30, 2018 by the directors of the Company.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of consolidated interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2017, which have been prepared in accordance with IFRS.

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION *(continued)*

Basis of consolidation

These consolidated interim financial statements include the accounts of the Company and 1084160 B.C. Ltd., formerly Provenance Gold Corp. (“PGC”), its wholly owned subsidiary in which the Company has control, where control is defined as the power to govern the financial operating policies of an enterprise so as to obtain benefits from its activities.

All intercompany balances and transactions have been eliminated on consolidation. Comparative figures shown in these financial statements reflect the accounts of Provenance only.

Details of the Company’s subsidiary are as follows:

Name	Place of incorporation	Interest %	Principal activity
1084160 B.C. Ltd.	British Columbia, Canada	100%	Holding company

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated interim financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

b) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, 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. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

c) Recent accounting pronouncements

New accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

2K Gold Property	Acquisition	Exploration	Total Cost
Balance December 31, 2016	\$ -	\$ -	\$ -
Additions	50,000	555,035	605,035
Assets acquired under Securities Purchase Agreement (note 6)	50,000	58,478	108,478
Balance December 31, 2017	\$ 100,000	\$ 613,513	\$ 713,513
Additions	-	325,315	325,315
Balance March 31, 2018	\$ 100,000	\$ 938,828	\$ 1,038,828

On June 10, 2016, the Company's CEO entered into the Moosehorn Range Property Option Agreement (the "MRPOA") pursuant to which he was granted the option to purchase a 100% interest in 149 quartz claims located in the Moosehorn Range in Yukon, Canada and the exclusive right to conduct mineral exploration and feasibility study work on the property during the period of the option. On August 4, 2016, the Company and the Company's CEO entered into an assignment agreement whereby the MRPOA was assigned to the Company. Pursuant to the MRPOA, payments totalling \$3,610,000 are required to be made and exploration expenditures totalling \$1,700,000 are required to be incurred as follows:

Payments

- \$50,000 within 60 days of the signing of the agreement (*paid*);
- \$50,000 by June 10, 2017(*paid*);
- \$130,000 by June 10, 2018;
- \$130,000 by June 10, 2019;
- \$250,000 by June 10, 2020; and
- \$3,000,000 by June 10, 2021

These payments will be credited towards the exploration expenditure requirements.

Exploration Expenditures

- \$200,000 by June 10, 2017 (completed);
- \$300,000 between June 10, 2017 and June 10, 2018 (completed);
- \$350,000 between June 10, 2018 and June 10, 2019 (completed);
- \$350,000 between June 10, 2019 and June 10, 2020; and
- \$500,000 between June 10, 2020 and June 10, 2021

Expenditures incurred in excess of the amount required will be applied against any remaining expenditures. As of March 31, 2018, the Company has incurred \$938,828 in exploration expenditures.

Pursuant to the MRPOA, the optionee will also pay a 2% net smelter royalty ("NSR") by December 31st of each year that lode gold is recovered from the property. This NSR can be bought out at any time by paying \$2,000,000.

The final payment of \$3,000,000 may be made at any time between June 10, 2016 and June 10, 2021, in which case any remaining payments will no longer be payable (except the NSR unless it has been bought out) and no further exploration expenditures will be required.

If, during the term of the MRPOA, either party acquires any interest in quartz claim fractions within a five kilometer perimeter of the property's claim blocks, these claims will become subject to the terms and conditions of the MRPOA.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

5. LOAN PAYABLE

On January 31, 2017, the Company executed a Debt Settlement Agreement (“the Agreement”) to settle debt totaling \$209,467 (\$168,811 principal plus \$40,656 accrued interest). Pursuant to the Agreement, the debt was settled by issuing a promissory note in the amount of \$209,467. This balance is non-interest bearing and is due on or before August 1, 2019.

6. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Unlimited number of preferred shares, without par value.

Issued

2017

On January 16, 2017, the Company closed a Securities Purchase Agreement (“the Agreement”) with the shareholders of Provenance Gold Corp. (“PGC”). PGC is the beneficial owner of the right to earn up to a 100% interest in and to a series of quartz claims located in the Moosehorn Range in the Yukon Territory. This interest is subject to certain royalty rights pursuant to a property option agreement dated June 10, 2016. Pursuant to the Agreement, the Company acquired all of the outstanding share capital of PGC by issuing 11,000,000 common shares and 3,500,000 common share purchase warrants to the shareholders of PGC. Each warrant is exercisable to acquire an additional common share of the Company at a price of \$0.15 per share until October 19, 2018. In connection with the closing of the Agreement, the Company changed its name to “Provenance Gold Corp.” and PGC continued as a wholly-owned subsidiary of the Company.

The net assets acquired under the Agreement consisted of the following: cash of \$166,955; interest in mineral property – Y2K Gold of \$108,478; accrued expenses (\$5,809).

On January 31, 2017, the Company completed a private placement of 750,000 units at \$0.10 per unit for gross proceeds of \$75,000. Each unit is comprised of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.15 until January 31, 2019.

On September 7, 2017, the Company completed a private placement of 2,187,733 units at \$0.15 per unit for gross proceeds of \$328,160. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of \$0.30 per share until September 7, 2019. The Company issued 40,000 common shares valued at \$6,000 as a finder’s fee and paid \$3,148 in share issue costs.

2018

As of March 31, 2018, advances of \$488,898 have been received from subscribers for a private placement financing which the Company completed on May 8, 2018. Under the terms by which the funds were advanced, these advances form a non-interest bearing loan to the Company until such time as the private placement is completed.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)**Warrants**

Details of common share purchase warrants outstanding at March 31, 2018 and December 31, 2017 are as follows:

	March 31 2018	December 31 2017	Exercise price	Expiry date
Share purchase warrants				
Issued pursuant to amended Agreement	12,000,000	12,000,000	\$ 0.100	April 8, 2018*
Issued under Securities Purchase Agreement	3,500,000	3,500,000	\$ 0.150	October 19, 2018
Issued in private placement	750,000	750,000	\$ 0.150	January 31, 2019
Issued in private placement	1,093,867	1,093,867	\$ 0.300	September 7, 2019
	17,343,867	17,343,867	\$ 0.125	

* Expired subsequent to March 31, 2018

Common share purchase warrant transactions during the periods ended March 31, 2018 and December 31, 2017 are as follows:

	Mar-31 2018			December 31 2017		
	Weighted average			Weighted average		
	Number of Warrants	exercise price	Fair Value	Number of Warrants	exercise price	Fair Value
Outstanding - beginning of period	17,343,867	\$ 0.125	\$ -	12,000,000	\$ 0.100	\$ -
Issued under Securities Purchase Agreement	-	-	-	3,500,000	\$ 0.150	-
Issued in private placement	-	-	-	750,000	\$ 0.150	-
Issued in private placement	-	-	-	1,093,867	\$ 0.300	-
Outstanding - end of period	17,343,867	\$ 0.125	\$ -	17,343,867	\$ 0.125	\$ -

On March 1, 2016, 100,000 share purchase warrants were cancelled.

The weighted average remaining contractual life of the issued and outstanding warrants as at March 31, 2018 was 0.24 years.

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS

Fair Values

As at March 31, 2018, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, and loan payable.

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash, accounts payable and accrued liabilities, and loan payable is determined on level 1 inputs and the carrying amounts approximate the fair values due to the short-term maturities of these items.

Credit Risk

The Company is not exposed to any significant credit risk as it has limited cash balances at March 31, 2018.

Interest Rate and Foreign Exchange Risks

Provenance has cash balances and only non-interest bearing debt. The Company is not exposed to any significant interest rate or foreign exchange risks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and loan payable requirements. The Company did not maintain sufficient cash balances to meet its needs at March 31, 2018.

Price Risk

The Company is not exposed to price risk.

PROVENANCE GOLD CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

8. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares and funds advanced by investors. The Company's capital management objectives are to safeguard its ability to continue as a going-concern. The Company does not have any externally imposed capital requirements to which it is subject. 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.

9. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. Unless otherwise indicated, the balances are unsecured, non-interest bearing, without specific terms of repayment and have arisen from advances or the provision of services and fees described.

During the three months ended March 31, 2018, the Company incurred \$52,500 (2017 - \$56,800) in consulting fees paid to directors, a former director and/or companies in which former directors are principals.

At March 31, 2018, the Company owed a director \$9,000 (December 31, 2017 - \$Nil) in respect of fees and out of pocket expenses.

At March 31, 2018, the Company owed \$209,467 to a company controlled by a director – see note 5.

10. LOSS PER SHARE

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. The warrants outstanding as at March 31, 2018 have not been included in the calculation of diluted earnings per share as the effect of their inclusion would be anti-dilutive. Loss per share is calculated as follows:

	Three months ended March 31	
	2018	2017
Loss for the period	\$ (64,000)	\$ (67,829)
Weighted average number of shares outstanding	27,089,164	22,278,098
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)

PROVENANCE GOLD CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

11. SUPPLEMENTARY DISCLOSURES WITH RESPECT TO CASH FLOWS

During the three months ended March 31, 2018, the Company paid interest in the amount of \$Nil (2017 – recovered interest of \$1,123).

As disclosed in note 5, on January 31, 2017, the Company settled debt, including accrued interest of \$40,656, by issuing a promissory note in the amount of \$209,467.

12. EVENTS AFTER THE REPORTING PERIOD

On May 8, 2018, the Company completed a private placement of 2,066,000 units at a price of \$0.25 per unit for gross proceeds of \$516,500. Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each full warrant entitles the holder to purchase an additional common share at a price of \$0.40 per share until May 8, 2020. As part of this private placement, the Company also issued 59,300 common shares valued at \$23,720 as finders' fees.