

Trifecta Gold Ltd.
Interim Financial Statements
For the three months ended
March 31, 2017
Unaudited – Prepared by Management

Trifecta Gold Ltd.
#1016 – 510 West Hastings Street
Vancouver, British Columbia
V6B 1L8

May 24, 2017

To the Shareholders of
Trifecta Gold Ltd.

The attached interim financial statements have been prepared by the management of Trifecta Gold Ltd.

Yours truly,

Dylan Wallinger
Chief Executive Officer

Trifecta Gold Ltd.**Interim Statements of Financial Position****Unaudited – Prepared by Management**

	Note	March 31, 2017 \$	December 31, 2016 \$
Assets			
Current assets			
Cash		559,127	100,000
Receivables and prepayments	3	13,573	7,765
		572,700	107,765
Non-current assets			
Mineral property interests	4	1,585,080	1,530,204
Total assets		2,157,780	1,637,969
Liabilities and shareholder's equity			
Current liabilities			
Accounts payable and accrued liabilities		13,519	55,113
Accounts payable to related parties	7	47,865	75,828
		61,384	130,941
Total liabilities		61,384	130,941
Shareholder's equity			
Share capital	5	2,200,001	1,550,001
Deficit		(103,605)	(42,973)
Total shareholder's equity		2,096,396	1,507,028
Total liabilities and shareholder's equity		2,157,780	1,637,969

Nature of operations and going concern

1

Event after the reporting period

11

Approved on behalf of the Board of Directors on May 24, 2017:

*"Bruce J. Kenway"***Director**

*"Graham Downs"***Director**

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

Trifecta Gold Ltd.**Interim Statement of Changes in Shareholder's Equity****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

	Number of shares #	Share capital \$	Deficit \$	Total shareholder's equity \$
January 1, 2017	15,500,001	1,550,001	(42,973)	1,507,028
Common shares issued for cash	6,500,000	650,000	-	650,000
Loss and comprehensive loss for the period	-	-	(60,632)	(60,632)
March 31, 2017	22,000,001	2,200,001	(103,605)	2,096,396

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

Trifecta Gold Ltd.**Interim Statement of Loss and Comprehensive Loss****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

	Note	\$
Expenses		
Accounting, audit and legal	7	33,758
General and administration expenses		2,964
Investor relations and shareholder information		2,829
Management and administrative fees	7	14,451
Property examination	7	6,630
Loss and comprehensive loss for the period		(60,632)
Loss per share		
Weighted average number of shares outstanding		
- basic #	6	21,638,890
- diluted #	6	21,638,890
Basic loss per share \$	6	(0.00)
Diluted loss per share \$	6	(0.00)

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

Trifecta Gold Ltd.**Interim Statement of Cash Flows****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

	Note	\$
Operating activities		
Loss and comprehensive loss for the period		(60,632)
Net change in non-cash working capital	9	(10,821)
		(71,453)
Financing activities		
Issue of common shares for cash		650,000
		650,000
Investing activities		
Mineral property acquisition costs		(17,484)
Deferred exploration and evaluation expenditures		(101,936)
		(119,420)
Net increase in cash		459,127
Cash, beginning of period		100,000
Cash, end of period		559,127

Supplemental cash flow information

9

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

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

1. Nature of operations and going concern

Trifecta Gold Ltd. (the "Company") was incorporated on October 4, 2016 under the laws of the Province of British Columbia, Canada as a wholly owned subsidiary of Strategic Metals Ltd. ("Strategic") and was registered extra-territorially in the Yukon Territory on January 6, 2017. The Company's head office is located at 1016 - 510 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1L8. Its records office is located at 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The Company's principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

These interim financial statements ("financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that 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 and commitments in the normal course of operations. The Company does not have revenues and has incurred operating losses since incorporation. As at March 31, 2017, the Company had working capital of \$511,316 (December 31, 2016 – working capital deficiency of \$23,176), and equity of \$2,096,396 (December 31, 2016 - \$1,507,028). Management has assessed that the Company will be adequately funded to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

2. Significant accounting policies**(a) Basis of presentation**

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's audited financial statements for the period ended December 31, 2016, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that the financial statements be read in conjunction with the December 31, 2016 financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies used are those the Company expects to adopt in its financial statements for the year ended December 31, 2017, and have been applied consistently to all periods presented by the Company.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

The Company was incorporated on October 4, 2016, therefore, comparative figures for statement of loss and comprehensive loss, statement of shareholder's equity and statement of cash flows for the three-month period ended March 31, 2016 are not applicable.

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

2. Significant accounting policies (continued)**(b) Standards issued but not yet effective**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2018. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

Tentatively effective for annual periods beginning on or after January 1, 2018

- New standard IFRS 9 *Financial Instruments*

IFRS 9 adds new requirements for impairment of financial assets and makes changes to the classification and measurement of financial instruments. When complete, IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement*

The Company has initially assessed that there will be no material reporting changes as a result of adopting the new standard, however, there may be enhanced disclosure requirements.

3. Receivables and prepayments

Receivables and prepayments consists of the following:

	March 31,	December 31,
	2017	2016
	\$	\$
Prepaid expenses	2,500	2,500
Sales tax recoverable	11,073	5,265
	13,573	7,765

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

4. Mineral property interests

The Company's mineral property interests consist of exploration stage properties located in the Yukon Territory. The properties have been grouped into those which are wholly-owned and those under option from other parties. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects.

Changes in the projects' carrying amounts for the three months ended March 31, 2017 are summarized as follows:

	January 1, 2017 \$	Acquisition, staking and assessment \$	Exploration and evaluation \$	March 31, 2017 \$
Wholly-owned projects				
Eureka	1,136,660	-	4,295	1,140,955
Treble	115,095	-	13,120	128,215
Triple Crown	214,143	-	1,541	215,684
Total	1,465,898	-	18,956	1,484,854
Wholly-owned and under option project				
Trident - wholly-owned claims				
Squid	64,306	-	7,005	71,311
	64,306	-	7,005	71,311
Trident - under option				
CH Claims	-	-	3,335	3,335
Squid East	-	5,540	5,062	10,602
Squid West	-	11,944	3,034	14,978
	-	17,484	11,431	28,915
Total	64,306	17,484	18,436	100,226
Total all projects	1,530,204	17,484	37,392	1,585,080

Exploration and evaluation expenditures on the projects consisted of the following:

	Eureka \$	Treble \$	Triple Crown \$	Trident \$	Total \$
Period ended March 31, 2017					
Field	777	-	647	540	1,964
Labour	3,316	1,541	7,024	17,896	29,777
Resource and environmental studies	-	-	5,374	-	5,374
Travel and accommodation	202	-	75	-	277
Total	4,295	1,541	13,120	18,436	37,392

(a) Wholly-owned projects

By an agreement dated December 9, 2016, the Company agreed to purchase the following mineral properties from Strategic by issuing Strategic 14,500,000 of its common shares at a value of \$0.10 per share, giving the transaction a total value of \$1,450,000. This agreed amount approximated the cumulative acquisition and exploration costs incurred on the properties by Strategic.

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

4. Mineral property interests (continued)**(a) Wholly-owned projects (continued)**

Transactions between related parties take place at a fair market value, where such values can be determined. The properties being purchased are exploratory mineral resource projects with no proven economic mineral reserves, so there is insufficient information to determine a fair value less cost to sell, or a value in use. Under IFRS 6, mineral property interests can be carried at cost until such time the properties become impaired. Given the properties are not considered impaired, and given a fair value could not be determined, it was concluded the cumulative costs to Strategic on the properties best represent the transfer value of the properties.

(i) Eureka

The Eureka project consists of a 100% interest in the Eureka mineral claims located in the Dawson Mining District, Yukon Territory. In 2016, the Company issued 11,250,000 common shares at \$0.10 per share for an aggregate value of \$1,125,000.

The claims are subject to a 1% net smelter return royalty (“NSR”).

(ii) Treble

The Treble project consists of a 100% interest in LLL mineral claims located in the Dawson Mining District, Yukon Territory. In 2016, the Company issued 1,150,000 common shares at \$0.10 per share for an aggregate value of \$115,000. The claims are not subject to any royalty interests.

(iii) Triple Crown

The Triple Crown project consists of a 100% interest in OOO mineral claims located in the Dawson Mining District, Yukon Territory. In 2016, the Company issued 2,100,000 common shares at \$0.10 per share for an aggregate value of \$210,000. The claims are not subject to any royalty interests.

(b) Wholly-owned and under option project**Trident**

The Trident project consists of the Squid claims, which are wholly-owned, and the CH, Squid East and Squid West claims which are being acquired under option agreements. The completion of the option agreements is contingent upon obtaining a listing of Company’s shares on the TSX Venture Exchange (“TSX-V”) on or before June 30, 2017.

Wholly-owned Claims

The Squid claims are located in the Dawson Mining District, Yukon Territory, and were acquired by staking.

Under Option Claims**(i) CH Claims**

By an agreement dated December 8, 2016, the Company may acquire a 100% interest in the CH mineral claims located in the Dawson Mining District, Yukon Territory from Coureur Des Bois Ltee Ltd (“Coureur”) for consideration of:

- Issuance of 1,500,000 common shares to Coureur as follows:
 - 150,000 shares upon completion of a TSX-V listing;
 - 150,000 shares on or before December 8, 2017;
 - 200,000 shares on or before December 8, 2018;
 - 300,000 shares on or before December 8, 2019; and
 - 700,000 shares on or before December 8, 2020.

4. Mineral property interests (continued)

(b) Wholly-owned and under option project (continued)

Under Option Claims (continued)

(i) CH Claims (continued)

Upon completion of the agreement, the Company will attain a 100% interest in the claims and Coureur will retain a 2% NSR from any precious metal commercial production and a 1% NSR from any non-precious metal commercial production. The Company would have the right at any time to purchase one-half of the NSR for \$1,000,000.

(ii) Squid East and West Claims

By an agreement dated December 15, 2016 the Company may acquire up to a 75% interest in the Squid East and Squid West mineral claims located in the Dawson Mining District, Yukon Territory from Metals Creek Resources Corp. ("Metals Creek") for the following consideration:

For a 60% interest, the following cash payments, share issuances and exploration expenditures are required:

- Cash payments totaling \$45,000 as follows:
 - \$10,000 upon execution of the agreement (paid on January 10, 2017);
 - \$10,000 on or before December 15, 2017;
 - \$10,000 on or before December 15, 2018; and
 - \$15,000 on or before December 15, 2019.
- Issuance of common shares to Metals Creek as follows:
 - 1,000,000 shares upon completion of a TSX-V listing;
 - 1,000,000 shares on or before December 15, 2017;
 - 1,500,000 shares on or before December 15, 2018 or that number of shares with an aggregate value of \$1,500,000 calculated using the applicable volume weighted average price ("VWAP"), or the Company may elect to make a cash payment of \$1,500,000 in lieu of issuing the shares; and
 - 3,000,000 shares on or before December 15, 2019 or that number of shares with an aggregate value of \$3,000,000 using the applicable VWAP or the Company may elect to make a cash payment of \$3,000,000 in lieu of issuing the shares.
- Exploration expenditures of \$2,250,000 as follows:
 - \$500,000 on or before one year from obtaining a listing on the TSX-V;
 - \$750,000 on or before December 15, 2018; and
 - \$1,000,000 on or before December 15, 2019.

The Company can acquire an additional 15% interest in the property by making a cash payment of \$50,000 on or before December 15, 2020, issuing to Metals Creek the lesser in value of (1) 3,500,000 common shares or (2) that number of shares with an aggregate value of \$3,500,000 calculated using the applicable VWAP on or before December 15, 2020, and by incurring an additional \$1,000,000 in exploration expenses on or before December 15, 2020. The Company may elect to make a cash payment of \$3,500,000 in lieu of issuing the shares. Should the Company attain its 60% or 75% interest and not proceed to acquire the remaining interest, a joint venture would be formed to further explore the properties, unless otherwise agreed.

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

5. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the three months ended March 31, 2017:

The Company issued 6,500,000 shares to Strategic at a value of \$0.10 per share for an aggregate amount of \$650,000.

6. Loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2017 is based on the loss attributable to common shareholders of \$60,632 and a weighted average number of common shares outstanding of 21,638,890.

There were no other equity instruments outstanding as at March 31, 2017 that would impact the weighted average number of shares outstanding.

7. Related party payables and transactions

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence during the three months ended March 31, 2017.

Key management personnel and Directors receive no salaries, non-cash benefits, or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice.

The Company transacted with the following related parties:

- (a) Archer, Cathro & Associates (1981) Limited ("Archer Cathro"), is a geological consulting firm which provides the Company with geological consulting services and administration. Dylan Arnold-Wallinger is the Company's President and CEO and a minority shareholder of Archer Cathro. The charges by Archer Cathro include the services of Dylan Arnold-Wallinger.
- (b) Glenn Yeadon is the Company's Secretary. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp"), which provides the Company with legal services.
- (c) Larry Donaldson is the Company's CFO. He is a partner of Donaldson Grassi, Chartered Professional Accountants, a firm in which he has significant influence. Donaldson Grassi provides the Company with accounting and tax services.

The Company is also related to Strategic through its shareholdings and common Officers and Directors (see notes 4 and 5 for details of mineral property and share transactions with Strategic).

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

7. Related party payables and transactions (continued)

The aggregate value of transactions and outstanding balances with related parties are as follows:

	Transactions 3 months ended March 31, 2017 \$	Transactions 3 months ended March 31, 2016 \$	Balances outstanding, March 31, 2017 \$	Balances outstanding, December 31, 2016 \$
Archer Cathro				
- Geological services	44,321	-	8,234	39,739
- Office and administration	24,456	-	15,660	10,885
	68,777	-	23,894	50,624
Yeadon Law Corp	15,723	-	16,471	16,204
Donaldson Grassi	7,500	-	7,500	9,000
	92,000	-	47,865	75,828

All related party balances are unsecured and are due within thirty days without interest.

The related party transactions do not include expense reimbursements or recoverable sales tax amounts that are included in the period-end related party payable balances.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

- (a) Accounting, audit and legal
- Includes the legal services of the Company's Secretary, Glenn Yeadon, charged to the Company by Yeadon Law Corporation.
 - Includes the accounting services of Company's CFO, Larry Donaldson, charged to the Company by Donaldson Grassi.
- (b) Management and administrative fees
- Includes charges by Archer Cathro for administrative and the Company's CEO, Dylan Wallinger.
- (c) Property examination costs
- Includes charges by Archer Cathro for exploration personnel.

8. Income Taxes

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	March 31, 2017 \$
Loss for the period	(60,632)
Statutory Canadian corporate tax rate	26.00%
Anticipated income tax recovery	15,764
Unrecognized tax benefits	(15,764)
Income tax expense (recovery)	-

The Company has unused non-capital losses of approximately \$104,000 of which \$43,000 expire in 2036 and \$61,000 expire in 2037. The non-capital losses have not been recognized as tax benefits, as there is no certainty that future taxable profits will be available against which it can be utilized.

The Company has unclaimed resource deductions in the amount of \$1,585,080 which may be deductible against future taxable income.

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

9. Supplemental cash flow information

Changes in non-cash operating working capital during the three months ended March 31, 2017 were comprised of the following:

	March 31, 2017 \$
Sales tax recoverable	(5,808)
Accounts payable and accrued liabilities	(1,129)
Accounts payable to related parties	(3,884)
Net Change	(10,821)

The company has incurred non-cash investing activities during the three months ended March 31, 2017 as follows:

	March 31, 2017 \$
Non-cash investing activities:	
Deferred exploration expenditures included in accounts payable and related party payables	15,660

10. Financial risk management**Capital management**

The Company is a junior resource exploration company and considers items included in equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at March 31, 2017 is comprised of equity of \$2,096,396 (December 31, 2016 - \$1,507,028).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

Financial instruments - fair value

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of accounts payable and accrued liabilities and accounts payable to related parties approximated their fair value because of the short-term nature of these instruments.

Trifecta Gold Ltd.**Notes to the Interim Financial Statements****Unaudited – Prepared by Management**

For the three months ended March 31, 2017

10. Financial risk management (continued)**Financial instruments - fair value** (continued)

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
March 31, 2017				
Cash	559,127	-	-	559,127
December 31, 2016				
Cash	100,000	-	-	100,000

Financial instruments- risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and market and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash. All of the Company's cash is held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. The Company has minimal receivable exposure as its refundable credits are due from the Canadian Government.

(b) Interest rate risk

The Company is not exposed to any interest risk as it does not hold any financial securities or debt that would be impacted by the fluctuation in the interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

(d) Market and currency risk

The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies. It is not exposed to currency risk because it does not deal in foreign currencies.

11. Event after the reporting period

The Company's parent, Strategic, held a special shareholders meeting in April 2017, at which time it approved a Plan of Arrangement ("POA") for Strategic to distribute approximately 90% of the Company's shares to its shareholders on a pro-rata basis. The POA has been approved by the Supreme Court of British Columbia and has received conditional approval by the TSX-V. Upon completion of the POA, Strategic would retain less than 10% of the number of the Company's shares then issued and outstanding.