



CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED NOVEMBER 30, 2017
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

January 16, 2018

GOLDEN PEAK MINERALS INC.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	November 30, 2017	August 31, 2017
ASSETS		
Current		
Cash	\$ 7,193	\$ 178,018
Amounts receivable	100,613	63,854
Prepaid expenses	18,118	11,887
	125,924	253,759
Exploration and evaluation assets (Note 6)	4,264,932	4,111,404
	\$ 4,390,856	\$ 4,365,163
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 362,050	\$ 191,701
Other liability (Note 8)	-	25,338
	362,050	217,039
Shareholders' Equity		
Share capital (Note 9)	6,644,799	6,644,799
Contributed surplus	839,716	839,716
Deficit	(3,455,709)	(3,336,391)
	4,028,806	4,148,124
	\$ 4,390,856	\$ 4,365,163

Going Concern (Note 2)
Commitments (Notes 6 and 8)

Authorized for issuance on behalf of the Board on January 16, 2018:

“Peter Ball” Director

“Dominic Verdejo” Director

GOLDEN PEAK MINERALS INC.
Condensed Interim Statements of Comprehensive Loss
For the Three Months Ended
(Unaudited - Expressed in Canadian Dollars)

	November 30, 2017	November 30, 2016
Expenses		
Consulting fees	\$ 102,527	\$ 73,500
Management fees (Note 7)	15,000	28,250
Office and general	7,285	1,084
Professional fees	-	1,411
Rent (Note 7)	9,000	-
Share-based payments (Note 9)	-	12,550
Shareholder communications and investor relations	8,235	33,043
Transfer agent and filing fees	2,552	50,408
Loss Before Other Items	(144,599)	(200,246)
Other Items		
Part XII.6 tax (Note 8)	(57)	(444)
Other income (Note 8)	25,338	-
Loss on settlement of accounts payable (Note 9)	-	(107,333)
	25,281	(107,777)
Net Loss and Comprehensive Loss for the Period	\$ (119,318)	\$ (308,023)
Loss per Share - Basic and Diluted	\$ (0.01)	\$ (0.06)
Weighted Average Number of Common Shares Outstanding	17,855,453	5,470,980

GOLDEN PEAK MINERALS INC.
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	Number of Shares	Share Capital			
Balance, August 31, 2016	1,916,501	\$ 1,487,628	\$ 219,332	\$ (1,584,974)	\$ 121,986
Private placements	4,166,658	499,999	-	-	499,999
Share issuance costs	-	(3,483)	-	-	(3,483)
Shares issued for exploration and evaluation assets	2,850,000	1,150,000	-	-	1,150,000
Shares issued for settlement of accounts payable	186,296	81,970	75,663	-	157,633
Stock options granted	-	-	12,550	-	12,550
Net loss and comprehensive loss for the period	-	-	-	(308,023)	(308,023)
Balance, November 30, 2016	9,119,455	3,216,114	307,545	(1,892,997)	1,630,662
Private placements	4,022,998	2,011,499	-	-	2,011,499
Share issuance costs	-	(335,051)	126,231	-	(208,820)
Shares issued for exploration and evaluation assets	4,175,000	1,641,500	-	-	1,641,500
Warrants exercised	500,000	100,000	-	-	100,000
Stock options exercised	38,000	10,737	(3,137)	-	7,600
Stock options granted	-	-	409,077	-	409,077
Net loss and comprehensive loss for the period	-	-	-	(1,443,394)	(1,443,394)
Balance, August 31, 2017	17,855,453	6,644,799	839,716	(3,336,391)	4,148,124
Net loss and comprehensive loss for the period	-	-	-	(119,318)	(119,318)
Balance, November 30, 2017	17,855,453	\$ 6,644,799	\$ 839,716	\$ (3,455,709)	\$ 4,028,806

GOLDEN PEAK MINERALS INC.
Condensed Interim Statements of Cash Flows
For the Three Months Ended
(Unaudited - Expressed in Canadian Dollars)

	November 30, 2017	November 30, 2016
Operating Activities		
Net loss for the period	\$ (119,318)	\$ (308,023)
Items not involving cash:		
Other income	(25,338)	-
Share-based payments	-	12,550
Loss on settlement of accounts payable	-	107,333
Changes in non-cash working capital balances:		
Amounts receivable	(36,759)	(12,169)
Prepaid expenses	(6,231)	(30,769)
Accounts payable and accrued liabilities	91,209	(57,840)
Cash Used in Operating Activities	(96,437)	(288,918)
Investing Activity		
Exploration and evaluation asset expenditures	(74,388)	(111,996)
Cash Used in Investing Activity	(74,388)	(111,996)
Financing Activities		
Shares issued for cash	-	453,400
Share issuance costs	-	(3,483)
Cash Provided by Financing Activities	-	449,917
Change in Cash	(170,825)	49,003
Cash, Beginning of Period	178,018	170
Cash, End of Period	\$ 7,193	\$ 49,173
Non-Cash Transactions and Supplemental Disclosures		
Exploration and evaluation expenditures included in accounts payable (beginning of period)	\$ 89,691	\$ 25,000
Exploration and evaluation expenditures included in accounts payable (end of period)	\$ 168,831	\$ 14,350
Shares issued for exploration and evaluation assets (Notes 6 and 9)	\$ -	\$ 1,150,000
Shares and units issued for accounts payable	\$ -	\$ 157,663
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Golden Peak Minerals Inc. (the "Company") is an exploration stage company incorporated pursuant to the British Columbia *Business Corporations Act* on March 31, 2011. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "GP" and on the OTCQB under the symbol "GPKMF". The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

2. GOING CONCERN

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

The Company incurred a net loss of \$119,318 for the three months ended November 30, 2017 (2016 - \$308,023) and has an accumulated deficit of \$3,455,709 at November 30, 2017 (August 31, 2017 - \$3,336,391). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim financial statements of the Company should be read in conjunction with the Company's 2017 annual financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 16, 2018.

b) Measurement basis

These condensed interim financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale ("AFS") and fair value through profit or loss ("FVTPL"). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 4 to the audited financial statements for the year ended August 31, 2017.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below.

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Critical judgments in applying accounting policies (continued)

c) Income taxes (continued)

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

d) Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed interim financial statements.

a) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at November 30, 2017, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty (continued)

b) Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation asset are summarized as follows:

	Hemlo Properties	Atikwa Lake Property	Maybrun Property	Grenfell Property	Lac Lapointe Property	Foubert Lake Property	Oyster Property	Total
<u>Acquisition Costs</u>								
Balance, August 31, 2016	\$ -	\$ 61,209	\$ -	\$ -	\$ 92,750	\$ 155,000	\$ 60,000	\$ 368,959
Acquisition and option payments (cash)	205,000	16,480	40,000	50,000	-	-	-	311,480
Acquisition and option payments (shares)	2,074,500	7,000	600,000	110,000	-	-	-	2,791,500
Claim costs	10,522	1,264	-	-	-	-	-	11,786
Impairment	-	-	-	(160,000)	(92,750)	(155,000)	(60,000)	(467,750)
Balance, August 31, 2017	2,290,022	85,953	640,000	-	-	-	-	3,015,975
Claim costs	216	122	-	-	-	-	-	338
Balance, November 30, 2017	\$ 2,290,238	\$ 86,075	\$ 640,000	\$ -	\$ -	\$ -	\$ -	\$ 3,016,313
<u>Deferred Exploration Expenditures</u>								
Balance, August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000
Camp and other	438,161	72,223	-	80,173	-	-	-	590,557
Geological	346,460	107,823	1,000	10,500	149,147	-	-	614,930
Geophysics	129,762	-	-	-	-	-	-	129,762
Impairment	-	-	-	(90,673)	(174,147)	-	-	(264,820)
Balance, August 31, 2017	914,383	180,046	1,000	-	-	-	-	1,095,429
Camp and other	7,500	-	-	-	-	-	-	7,500
Geological	1,250	2,500	-	-	-	-	-	3,750
Geophysics	141,940	-	-	-	-	-	-	141,940
Balance, November 30, 2017	\$ 1,065,073	\$ 182,546	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,248,619
<u>Total Exploration and Evaluation Assets</u>								
Balance, August 31, 2017	\$ 3,204,405	\$ 265,999	\$ 641,000	\$ -	\$ -	\$ -	\$ -	\$ 4,111,404
Balance, November 30, 2017	\$ 3,355,311	\$ 268,621	\$ 641,000	\$ -	\$ -	\$ -	\$ -	\$ 4,264,932

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Hemlo Properties

Heikki Property

On October 28, 2016, and as amended November 17, 2017, the Company entered into four option agreements to acquire the Esa, Kulta, Seija and Soturi properties, collectively the Heikki Property, located in Ontario. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 2,600,000 common shares of the Company (issued) and making a cash payment of \$105,000 (paid) upon approval by the TSX-V;
- Issuing 3,100,000 common shares of the Company by January 31, 2018; and
- Issuing 1,750,000 common shares of the Company by November 17, 2018.

The vendors retain a 3% net smelter return royalty ("NSR") on each of the four properties. The Company has the option to purchase 1% of the 3% NSR (one-third) at a price of \$500,000.

Hemlo East

On January 27, 2017, the Company entered into an option agreement to acquire the Hemlo East Property, located in Ontario. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 750,000 common shares of the Company (issued) and making a cash payment of \$100,000 (paid) upon approval by the TSX-V;
- Issuing 500,000 common shares of the Company and making a cash payment of \$100,000 by February 8, 2018;
- Issuing 500,000 common shares of the Company and making a cash payment of \$100,000 by February 8, 2019; and
- Issuing 500,000 common shares of the Company and making a cash payment of \$40,000 by February 8, 2020.

The Company must also incur exploration expenditures on the property as follows:

- \$600,000 on or before January 27, 2018;
- An additional \$600,000 on or before January 27, 2019; and
- An additional \$600,000 on or before January 27, 2020.

The vendors retain a 2.5% NSR on the property. The Company has the option to purchase 0.5% of the 2.5% NSR (one-fifth) at a price of US \$1,000,000.

Hemlo East Extension

On May 31, 2017, and as amended December 18, 2017, the Company entered into an agreement to acquire additional claims expanding the Hemlo East property. Under the terms of the agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 1,100,000 common shares of the Company upon approval by the TSX-V (issued); and
- Issuing 500,000 common shares of the Company and making a cash payment of \$250,000 by January 31, 2018.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Hemlo Properties (continued)

Hemlo West

On May 31, 2017, and as amended December 18, 2017, the Company entered into an agreement to acquire additional claims in the Hemlo area. Under the terms of the agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 1,100,000 common shares of the Company upon approval by the TSX-V (issued); and
- Issuing 500,000 common shares of the Company and making a cash payment of \$250,000 by January 31, 2018.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

b) Atikwa Lake Property

On February 4, 2016, the Company entered into an agreement to acquire a 100% undivided interest in 20 mineral claims located in Ontario. As consideration, the Company issued 75,000 common shares of the Company at a value of \$60,000.

In March 2017, an additional 5 claims were acquired for \$6,480.

On June 19, 2017, the Company entered into an option agreement to acquire additional claims on the Atikwa Lake Property. Under the terms of the option agreement, the Company can earn a 100% interest by making payments as follows:

- Issuing 25,000 common shares of the Company (issued) and making a cash payment of \$10,000 (paid) upon approval by the TSX-V;
- Issuing 25,000 common shares of the Company and making a cash payment of \$25,000 by June 23, 2018;
- Issuing 50,000 common shares of the Company and making a cash payment of \$35,000 by June 23, 2019; and
- Issuing 85,000 common shares of the Company and making a cash payment of \$60,000 by June 23, 2020.

The Company must also incur exploration expenditures on the additional claims as follows:

- \$50,000 on or before June 19, 2018;
- An additional \$75,000 on or before June 19, 2019; and
- An additional \$150,000 on or before June 19, 2020.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

c) Maybrun Property

On April 7, 2017, the Company entered into an agreement to acquire a 100% interest in the Maybrun Property located in Ontario. As consideration, the Company issued 1,200,000 common shares and paid \$40,000 in cash.

The vendors retain a 2% NSR on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

d) Grenfell Property

On October 13, 2016, the Company entered into an option agreement to acquire the Grenfell Property located in Ontario. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 250,000 common shares of the Company (issued) and making a cash payment of \$50,000 (paid) upon approval by the TSX-V;
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2017;
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2018; and
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2019.

In the event of a minimum discovery of 1,000,000 ounces of gold or gold equivalent resource, the Company would pay a bonus of \$1,000,000 to the optionor upon completion of a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* compliant report.

The original vendor retained a 2% NSR on the property. The Company had the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

The Company determined it would not make the payment of 250,000 common shares and \$50,000 due on October 26, 2017. The property was written down to \$nil on August 31, 2017.

e) Lac Lapointe Property

On February 15, 2016, the Company entered into an option agreement to acquire a 100% undivided interest in 20 mineral claims located in Quebec. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 132,500 common shares of the Company upon approval by the TSX-V (issued);
- Cash payment of \$40,000 on or before August 15, 2017; and
- Cash payment of \$100,000 on or before February 15, 2019.

The vendor retained a 2% gross overriding royalty return ("GORR") on the property. The Company had the option to purchase 1% of the 2% GORR (one-half return) at a price of \$1,000,000.

The Company did not make the payment of \$40,000 due on August 15, 2017. Accordingly, the property was written down to \$nil.

f) Foubert Lake Property

On June 26, 2015, the Company entered into an agreement to acquire a 100% undivided interest in 11 mineral claims located in Quebec. As consideration, the Company paid a total of \$11,000 in cash and issued a total of 240,000 common shares of the Company at a value of \$144,000.

The vendor retains a 1% NSR on the property. The Company has the option to purchase the NSR at a price of \$500,000.

At August 31, 2017, the Company determined that the value of the property was impaired, and it was written down to \$nil.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

g) Oyster Property

On September 23, 2015, the Company entered into an agreement to acquire a 100% undivided interest in 4 mineral claims located in Manitoba. As consideration, the Company issued 100,000 common shares of the Company at a value of \$60,000.

The vendor retains a 3% GORR on the property. The Company has the option to purchase 1% of the 3% GORR (one-third) at a price of \$1,000,000.

At August 31, 2017, the Company determined that the value of the property was impaired, and it was written down to \$nil.

7. RELATED PARTY BALANCES AND TRANSACTIONS

These amounts of key management compensation are included in exploration and evaluation assets and the amounts shown on the consolidated interim statements of comprehensive loss:

	Three Months Ended November 30, 2017	Three Months Ended November 30, 2016
Management fees	\$ 15,000	\$ 28,250
Geological	\$ 43,750	\$ -

Key management includes directors and officers of the Company, including the Chief Executive Officer and Chief Financial Officer.

During the three months ended November 30, 2017, the Company paid or accrued \$nil (2016 - \$16,000) for consulting fees to companies controlled by directors and \$9,000 (2016 - \$nil) in rent to a company in which an officer of the Company is an officer and director.

As at November 30, 2017, included in accounts payable and accrued liabilities is \$nil (August 31, 2017 - \$3,216) due to a company controlled by an officer of the Company and \$50,886 (August 31, 2017 - \$47,032) due to a company in which an officer of the Company is an officer and director for shared administrative costs. These amounts are unsecured, non-interest-bearing and have no fixed terms of repayment.

8. OTHER LIABILITY AND FLOW-THROUGH COMMITMENT

Other Liability

Other liability consists of the liability portion of the flow-through shares issued.

During the year ended August 31, 2017, the Company issued 2,022,998 flow-through shares at a price of \$0.65 per share. The premium paid by investors was calculated as \$0.15 per share. Accordingly, \$303,450 was recorded as other liability. At November 30, 2017, the balance of other liability was reduced to \$nil as a result of qualifying expenditures incurred by the Company. This resulted in other income of \$25,338 for the three months ended November 30, 2017.

GOLDEN PEAK MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended November 30, 2017
(Unaudited - Expressed in Canadian Dollars)

8. OTHER LIABILITY AND FLOW-THROUGH COMMITMENT (Continued)

Flow-Through Commitment

At November 30, 2017, the Company had no remaining commitment to incur exploration expenditures in relation to its December 2016 flow-through share financing.

Included in accounts payable and accrued liabilities at November 30, 2017 is a provision for Part XII.6 tax of \$2,006 (August 31, 2017 - \$1,949). During the three months ended November 30, 2017, the Company incurred \$57 for Part XII.6 tax and other provincial taxes in relation to its December 2016 flow-through share financing (2016 - \$444 in relation to its December 2015 flow-through share financing).

9. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

Three Months Ended November 30, 2017

- There were no changes to the issued and outstanding share capital during the three months ended November 30, 2017.

Year Ended August 31, 2017

- On September 26, 2016, the Company completed a non-brokered private placement for gross proceeds of \$499,999. The Company issued 4,166,658 units at a price of \$0.12 per unit. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.20 for a period of two years. The Company incurred share issue costs of \$3,483.
- On October 26, 2016, the Company settled accounts payable and accrued liabilities of \$50,300 by issuing 9,259 common shares and 177,037 units, each unit consisted of one common share and one non-transferable warrant of the Company. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.36 for a period of four years. The fair value of the common shares issued was \$4,074 and the fair value of the units issued was \$153,559. Accordingly, the Company realized a loss on settlement of accounts payable of \$107,333.
- On October 26, 2016, the Company issued 250,000 common shares valued at \$110,000 for the acquisition of the Grenfell Property (Note 6(d)).
- On November 17, 2016, the Company issued 2,600,000 common shares valued at \$1,040,000 for the acquisition of the Heikki Property (Note 6(a)).

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9. SHARE CAPITAL (Continued)

b) Issued and outstanding (continued)

- On December 20, 2016, the Company completed a non-brokered private placement for gross proceeds of \$2,314,949. The Company issued 2,000,000 non-flow-through common shares of the Company at a price of \$0.50 per share and 2,022,998 flow-through common shares of the Company at a price of \$0.65 per share. The premium paid by investors on the flow-through units was calculated as \$0.15 per share. Accordingly, \$303,450 was recorded as other liability.

The Company incurred finder's fees of \$196,495 and other share issue costs of \$12,325. The Company also issued 332,300 finder's warrants valued at \$126,231 (Note 9(c)) and entitling the holder to acquire one non-flow-through common share of the Company at an exercise price of \$0.50 for a period of two years.

- On February 9, 2017, the Company issued 750,000 common shares valued at \$352,500 for the acquisition of the Hemlo East Property (Note 6(a)).
- On April 13, 2017, the Company issued 1,200,000 common shares valued at \$600,000 for the acquisition of the Maybrun Property (Note 6(c)).
- On June 19, 2017, the Company issued 2,200,000 common shares valued at \$682,000 for the acquisition of the Hemlo East Extension and the Hemlo West (Note 6(a)).
- On June 19, 2017, the Company issued 25,000 common shares valued at \$7,000 for the acquisition of the Atikwa Lake Property (Note 6(b)).
- During the year ended August 31, 2017, the Company received \$100,000 pursuant to the exercise of 500,000 warrants and \$7,600 on the exercise of 38,000 stock options. The Company transferred \$3,137, the previously recorded fair value of the stock options, from contributed surplus to share capital upon exercise of the stock options.

c) Warrants

Warrant transactions and the number of warrants outstanding for the three months ended November 30, 2017 and the year ended August 31, 2017 are summarized as follows:

	Three Months Ended November 30, 2017		Year Ended August 31, 2017	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	4,188,566	\$ 0.23	258,002	\$ 1.37
Issued	-	-	4,675,995	\$ 0.23
Exercised	-	-	(500,000)	\$ 0.20
Expired	-	-	(245,431)	\$ 1.40
Outstanding, end of period	4,188,566	\$ 0.23	4,188,566	\$ 0.23

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9. SHARE CAPITAL (Continued)

c) Warrants (continued)

The following warrants were outstanding and exercisable at November 30, 2017:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants
September 26, 2018	0.82	\$ 0.20	3,666,658
December 20, 2018	1.05	\$ 0.50	332,300
December 24, 2018	1.07	\$ 0.70	12,571
October 26, 2020	2.91	\$ 0.36	177,037
	0.93		4,188,566

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its finder's warrants granted. The fair value of each finder's warrant grant was calculated using the following weighted average assumptions:

	Three Months Ended November 30, 2017	Year Ended August 31, 2017
Expected life (years)	N/A	3.00
Risk-free interest rate	N/A	0.50%
Expected annualized volatility	N/A	235%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	\$0.60
Exercise price	N/A	\$0.70
Weighted average grant date fair value	N/A	\$0.57

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

d) Stock options

The Company adopted a Stock Option Plan (the "Plan") to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the Plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a 12-month period with no more than 25% of the options vesting in any three-month period.

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9. SHARE CAPITAL (Continued)

d) Stock options (continued)

The following is a summary of option transactions under the Company's stock option plan for the three months ended November 30, 2017 and the year ended August 31, 2017:

	Three Months Ended November 30, 2017		Year Ended August 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,389,000	\$ 0.42	16,000	\$ 1.50
Expired	(114,000)	\$ 0.20	(25,000)	\$ 0.40
Exercised	-	-	(38,000)	\$ 0.20
Forfeited	-	-	(16,000)	\$ 1.50
Granted	-	-	1,452,000	\$ 0.38
Outstanding, end of period	1,275,000	\$ 0.40	1,389,000	\$ 0.42

The following options were outstanding and exercisable at November 30, 2017:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
April 11, 2020	2.36	\$0.40	1,275,000	1,275,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of each stock option grant was calculated using the following weighted average assumptions:

	Three Months Ended November 30, 2017	Year Ended August 31, 2017
Expected life (years)	N/A	3.00
Risk-free interest rate	N/A	0.83%
Expected annualized volatility	N/A	136%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	\$ 0.41
Exercise price	N/A	\$ 0.40
Weighted average grant date fair value	N/A	\$ 0.29

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

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10. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, amounts receivable and accounts payable. Cash is classified as FVTPL. Amounts receivable is classified as loans and receivables. Accounts payable is classified as other financial liabilities. The carrying values of these instruments approximate their fair values due to the relatively short periods to maturity of these instruments.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

November 30, 2017	Level 1	Level 2	Level 3	Total
Cash	\$ 7,193	\$ -	\$ -	\$ 7,193

August 31, 2017	Level 1	Level 2	Level 3	Total
Cash	\$ 178,018	\$ -	\$ -	\$ 178,018

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk on cash, the Company places its cash with a major Canadian financial institution.

b) Liquidity risk

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at November 30, 2017, the Company had cash of \$7,193 (August 31, 2017 - \$178,018) to settle accounts payable and accrued liabilities of \$362,050 (2016 - \$191,701), which fall due for payment within 30 days of November 30, 2017. All of the liabilities presented as accounts payable are due within 30 days of the reporting date. The cash available is not sufficient to meet the Company's financial obligations at November 30, 2017.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

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11. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (continued)

c) Market risk (continued)

- i) *Currency risk* – The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company does not have any significant foreign currency denominated monetary assets or liabilities.
- ii) *Interest rate risk* – The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant, as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.
- iii) *Other price risk* - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company does not have significant exposure to this risk.

12. MANAGEMENT OF CAPITAL

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended November 30, 2017. The Company is not subject to externally imposed capital requirements.