



Savary Gold Corp.

Consolidated Interim Financial Statements
(Unaudited, Expressed in Canadian dollars)

For the three months ended
March 31, 2017 and 2016

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Management of Savary Gold Corp. is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim consolidated financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Savary Gold Corp.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars)

As at:

	March 31, 2017	December 31, 2016
ASSETS		
Current		
Cash	\$ 3,296,326	\$ 3,145,784
Prepaid expenses	7,080	12,246
Amounts receivable	132,777	111,329
TOTAL CURRENT ASSETS	3,436,183	3,269,359
Exploration and evaluation properties (Note 3)	9,159,121	7,727,136
TOTAL ASSETS	\$ 12,595,304	\$ 10,996,495
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 3,100,019	\$ 2,056,270
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	10,496,092	9,504,836
Reserves (Note 4)	2,715,974	2,875,990
Deficit	(3,716,781)	(3,440,601)
TOTAL SHAREHOLDERS' EQUITY	9,495,285	8,940,225
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 12,595,304	\$ 10,996,495

Nature of Operations and Going Concern (Note 1)

Commitments and Contingences (Note 10)

Approved on May 30, 2017 on behalf of the Board:

“Daniel Nocente”

Daniel Nocente - Director

“Craig Pearman”

Craig Pearman – Director

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

Savary Gold Corp.Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited, Expressed in Canadian dollars)

For the:

	Three months ended	
	March 31,	
	2017	2016
Expenses		
Investor relations	\$ 51,189	\$ 5,833
Insurance	5,165	5,439
Office and administration	3,945	4,554
Professional fees	16,815	8,000
Shareholder information	-	-
Share-based compensation	160,000	70,000
Transfer agent and filing fees	18,106	1,950
Travel	1,392	-
Consulting fees	31,000	30,803
	287,612	126,579
Other (income) / expenses		
Interest income	(4,832)	-
Foreign exchange (gain)/ loss	24,680	44,700
Net loss and comprehensive loss for the year	\$ (307,460)	\$ (171,279)
Basic and diluted loss per common share	0.00	0.00
Weighted average number of common shares outstanding	176,324,017	140,065,739

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

Savary Gold Corp.

Consolidated Interim Statements of Cash Flows

(Unaudited, Expressed in Canadian dollars)

For the three months ended

	March 31, 2017	March 31, 2016
Cash flows from Operating activities		
Net loss for the year	\$ (307,460)	\$ (171,279)
Item not affecting cash:		
Foreign exchange loss/(gain)	24,680	44,700
Share-based compensation	160,000	70,000
Changes in non-cash working capital items:		
Prepaid expenses and deposits	5,166	5,440
Amounts receivable	(21,448)	4,744
Accounts payable and accrued liabilities	(152,085)	(52,499)
Net cash flows (used in)/from operating activities	(291,147)	(98,894)
Cash flows from Investing activities		
Exploration and evaluation properties (Note 3)	(260,831)	(207,563)
Net cash flows (used in) investing activities	(260,831)	(207,563)
Cash flows from Financing activities		
Warrants exercised	702,520	-
Net cash flows provided by financing activities	702,520	-
Net change in cash during the period	150,542	(306,457)
Cash, beginning of the period	3,145,784	1,448,454
Cash, end of the period	\$ 3,296,326	\$ 1,141,997

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

Savary Gold Corp.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited, Expressed in Canadian dollars)

	Number of Shares Issued #	Share Capital \$	Reserves \$	Deficit \$	Total Shareholders' Equity \$
Balance, December 31, 2016	171,618,284	9,504,836	2,875,990	(3,440,601)	8,940,225
Share-based payments	-	-	160,000	-	160,000
Options expired	-	-	-	-	-
Warrants exercised	10,036,000	991,256	(288,736)	-	702,520
Warrants expired	-	-	(31,280)	31,280	-
Net loss for the period	-	-	-	(307,460)	(307,460)
Balance, March 31, 2017	181,654,284	10,496,092	2,715,974	(3,716,781)	9,495,285
Balance, December 31, 2015	140,065,739	7,042,515	2,172,840	(3,132,765)	6,082,590
Share-based payments	-	-	70,000	-	70,000
Net loss for the period	-	-	-	(171,279)	(171,279)
Balance, March 31, 2016	140,065,739	7,042,515	2,242,840	(3,304,044)	5,981,311

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

Savary Gold Corp.

Notes to the Consolidated Interim Financial Statements

March 31, 2017 and 2016

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Savary Gold Corp. (the "Company") was incorporated under the *Business Corporations Act (BC)* on February 15, 2008 and has been continued to Ontario pursuant to the *Business Corporations Act (Ontario)*. The Company is focused on the exploration and evaluation of its gold project in Burkina Faso, Africa. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "SCA".

These condensed interim consolidated financial statements were approved by the Board of Directors on May 30, 2017.

The Company is in the early stages of exploring and evaluating the Property and has not yet determined whether it contains reserves that are economically recoverable.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's ability to continue as a going concern and the recoverability of the amounts capitalized as exploration and evaluation assets are dependent upon the Company's ability to raise additional financing in order to continue exploration and development of the exploration and evaluation properties, the discovery of economically recoverable reserves, obtaining future profitable production or proceeds from disposition of the Company's exploration and evaluation assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties and political uncertainty.

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The Company has incurred operating losses since inception, has no source of operating cash flow and has working capital of \$336,164 as at March 31, 2017. There can be no assurances that sufficient funding, including adequate financing, will be available to acquire and explore its property and to cover general and administrative expenses necessary for the maintenance of a public company. These matters reflect material uncertainties which cast significant doubt about the ability of the Company to continue as a going concern. The Company's status as a going concern is contingent upon raising the necessary funds via private placement or debt financing. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required. Realization values may be substantially different from carrying values as shown in these consolidated financial statements. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Savary Gold Corp.

Notes to the Consolidated Interim Financial Statements

March 31, 2017 and 2016

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, (IAS 34) Interim Financial Reporting using policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC). Unless otherwise stated, these condensed interim consolidated financial statements have been prepared using the same accounting policies and method of computation as presented in Note 3 of the annual consolidated financial statements of the company as at and for the year ended December 31, 2016.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated.

Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. All intercompany transactions and balances have been eliminated on consolidation. Companies acquired or disposed of during the period are included in the consolidated financial statements from the date of acquisition or up to the date of disposal:

Name of Subsidiary	Percentage Ownership
Burkina Gold Corporation	100%
Savary Gold Burkina SARL	100%
Joint Venture BF1 Inc.	100%
Houndé Exploration BF1 Inc.	100%
Houndé Exploration BF SARL	100%
Savary A1 Inc.	100%

Savary Gold Corp.

Notes to the Consolidated Interim Financial Statements

March 31, 2017 and 2016

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

Critical accounting estimates and judgments

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements, and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results could differ from those estimates and such differences could be significant.

Share-Based Payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share based compensation transactions are disclosed in Note 4.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Recoverability of Exploration and Evaluation properties

The Company is in the process of exploring and evaluating its properties and has not yet determined whether the exploration and evaluation properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation properties are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

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Notes to the Consolidated Interim Financial Statements

March 31, 2017 and 2016

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3. EXPLORATION AND EVALUATION PROPERTIES

The South Block of the Houndé Property comprises two exploration licenses (Diosso and Mandiasso) covering a total of 375 km², and an additional 125 km² of concessions (Kelesso and Fakoto), which results in a total area under license of 500 km² (the "Property"). Licenses are subject to periodic renewals. While the Company expects to be able to continue to renew and update its licenses as they come due, there is no assurance that the licenses required will be granted.

During 2014, the Company completed the earn-in portion of the option for the Houndé South gold project located in south-west Burkina Faso. The Option Agreement called for the Company to incur US\$3 million in exploration expenditures and issue to Endeavour common shares of the Company representing the lesser of 27,000,000 million or 19.99% of the outstanding shares of the Company. These expenditure obligations have been met.

On November 3, 2014, the Company issued 13,338,729 common shares, which represented at the time of issuance 19.99% of issued and outstanding common shares of the Company. The shares were valued at \$266,775 based on the quoted market price on the date of issuance and were being held in escrow pending certain conditions including the formal transfer of the underlying mineral permits in Burkina Faso and a title opinion to be received by Endeavour. On April 11, 2016, the formal property transfer was completed and the shares were released from escrow on April 21, 2016.

In March 2014, the Company and Sarama Resources Ltd. ("Sarama") signed a Heads of Agreement in respect of a proposed joint venture arrangement ("JV") between Sarama and the Company to unify the operatorship of the Company's Houndé South property and Sarama's Serakoro 1 property. The proposed JV company will be approximately 65% owned by the Company and 35% owned by Sarama. As of March 31, 2017, the closing of the arrangement had not taken place.

As part of completion of the JV, Sarama is deemed to have participated in the previous exploration program of approximately US\$1 million and will fund its pro-rata share of 35% of the previous project expenditures to a maximum US \$350,000. As at March 31, 2017, the Company had received US \$1,252,964 (CAD \$1,712,869) from Sarama. This amount has been recorded within accounts payable and accrued liabilities in the consolidated statement of financial position as of March 31, 2017, pending closing of the JV.

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3. EXPLORATION AND EVALUATION PROPERTIES

Balance, December 31, 2015	\$	5,670,901
Deferred exploration costs:		
Drilling		936,724
Assaying		168,392
Geophysics & surveying		197,917
Geology		344,225
Overheads and field supports		291,012
Option payment		88,442
Technical reports		29,523
Total deferred exploration costs for the year		2,056,235
Balance, December 31, 2016	\$	7,727,136
Deferred exploration costs:		
Drilling		1,025,523
Assaying		146,157
Geophysics & surveying		32,609
Geology		105,621
Overheads and field supports		122,075
Total deferred exploration costs for the period		1,431,986
Balance, March 31, 2017	\$	9,159,121

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4. SHARE CAPITAL AND OTHER EQUITY RESERVES

a. Authorized capital

Unlimited number of common voting shares, without par value

Unlimited number of preferred shares, without par value

b. Share issuances

During the three months ended March 31, 2017, 10,036,000 shares were issued on the exercise of warrants.

c. Shares held in escrow

Endeavour Escrow shares

On November 3, 2014, the Company issued 13,338,729 common shares pursuant to the Option Agreement with Endeavour (see Note 3). The shares were released on April 21, 2016 upon the formal transfer of the mineral permits and the receipt of a title opinion from Endeavour.

d. Stock options

As at March 31, 2017, a summary of stock options outstanding and exercisable was as follows:

Grant Date	Number of Outstanding	Number of exercisable	Price	Expiry date	Remaining contractual life
14-Jul-14	200,000	200,000	\$0.07	14-Jul-19	2.48 years
13-Mar-14	1,150,000	1,150,000	\$0.10	14-Mar-19	2.15 years
28-Nov-13	640,000	640,000	\$0.05	28-Nov-18	1.86 years
27-Jun-13	625,000	625,000	\$0.10	27-Jun-18	1.44 years
11-Oct-12	650,000	650,000	\$0.29	11-Oct-17	.73 years
31-Mar-15	2,000,000	2,000,000	\$0.06	31-Mar-20	3.20 years
17-Feb-16	1,400,000	1,400,000	\$0.05	17-Feb-21	4.08 years
12-May-16	150,000	150,000	\$0.09	12-May-21	4.31 years
24-Aug-16	250,000	250,000	\$0.13	24-Aug-21	4.60 years
04-Nov-16	100,000	100,000	\$0.10	04-Nov-21	4.80 years
20-Jan-17	2,000,000	2,000,000	\$0.10	20-Jan-22	4.80 years
	9,165,000	9,165,000			

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(Expressed in Canadian dollars)

4. SHARE CAPITAL AND OTHER EQUITY RESERVES (continued)**e. Share-based compensation**

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is estimated by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, expected dividend yields, expected volatility factors of the expected market price of the Company's common shares and expected life of the options. During the period ended March 31, 2017, the Company recognized share-based compensation of \$160,000 (2016 - \$70,000). The estimated fair value for options granted during the three months ended March 31, 2017 is \$0.08 (2016 - \$0.05) per option.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended March 31, 2017:

Expected Dividend rate	0%
Risk-free interest rate	0.50%
Expected life of options	5 years
Expected annualized volatility	136%
Fair value of options granted (per option)	\$0.08

f. Warrants

As at March 31, 2017, a summary of warrants outstanding and exercisable was as follows:

No. exercisable	Grant date	Expiry date	Exercise price	Fair Value at grant date
#			\$	\$
28,350,000	20-Mar-15	20-Mar-18	0.08	668,989
2,608,500	20-Mar-15	20-Mar-18	0.08	132,931
13,611,272	19-Aug-16	19-Feb-19	0.15	631,520
1,584,488	19-Aug-16	19-Feb-19	0.11	158,449
46,154,260				1,591,889

During 2017, 10,036,000 warrants were exercised and 1,084,000 warrants expired unexercised.

Savary Gold Corp.

Notes to the Consolidated Interim Financial Statements

March 31, 2017 and 2016

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying consolidated financial statements are summarized below.

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors, corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The remuneration to key management personnel during the three months ended March 31, 2017 and 2016 is as follows:

	2017	2016
	\$	\$
Short-term benefits*	45,000	66,750
Share based compensation	52,000	70,000
	97,000	136,750

* includes consulting fees, management fees and other employment benefits, pursuant to consultancy arrangements

6. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties with its mineral property in Burkina Faso.

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

The fair value of the Company's cash, amounts receivable and accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the consolidated statement of financial position due to their short term maturity.

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides reward guidance for overall risk management. There have been no significant change in the risks, objects, policies and procedures during 2017 and 2016. As at March 31, 2017, the Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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. The Company's credit risk is primarily attributable to cash balance and amounts receivable.

The Company's cash is held at large Canadian financial institutions. The Company's amounts receivable consist mainly of input tax credit receivable due from the Government of Canada, and as a result the Company does not believe it is subject to significant credit risk.

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Notes to the Consolidated Interim Financial Statements

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(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined in Note 9 to the consolidated financial statements. Accounts payable and accrued liabilities are due within 30 days.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices and foreign currency fluctuations.

(a) Interest Rate Risk

As at March 31, 2017, the Company did not have investments or interest bearing debt thus it is not subject to interest rate risk.

(b) Price risk

The Company is marginally exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(c) Currency risk

Currency exchange risk is the risk that the future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. The majority of the Company's operations are conducted in U.S. and Canadian dollars; the Company's recent financing and any future equity raised is expected to be predominantly in Canadian dollars. Consequently, the Company is impacted by changes in the exchange rate between the Canadian and United States dollars. As of March 31, 2017, the Company's net financial assets and financial liabilities in foreign currencies were US\$789,486. Thus, a 10% change in the Canadian dollar versus the foreign currencies exchange rate would affect net loss by \$78,949.

Savary Gold Corp.

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(Expressed in Canadian dollars)

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In the management of capital, the Company considers components of shareholders' equity, with cash and cash equivalents being its primary components.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2017 and year ended December 31, 2016.

10. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management and consulting contracts. Minimum commitments remaining under the agreements are approximately \$137,100, which is payable within one year. These contracts also require that additional payments of up to \$372,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.