INTEGRA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND FEBRUARY 28, 2015
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS

The accompanying unaudited financial statements of Integra Gold Corp. ("the Company"), for the three months ended March 31, 2016 and February 28, 2015, have been prepared by management and have not been reviewed by the Company's external independent auditors.

Integra Gold Corp.

Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2016 and February 28, 2015

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited, expressed in Canadian dollars)

	March 31, 2016	December 31, 2015
ASSETS		
Current		
Cash and cash equivalents (Note 4)	**$ 28,733,106**	$ 16,254,647
Sales tax recoverable and accounts receivable (Note 10)	**1,431,086**	1,642,701
Mining exploration tax credits recoverable (Note 15)	**4,756,091**	2,986,615
Investments (Note 5)	**199,442**	165,833
Prepaid expenses	**297,688**	477,519
Total Current Assets	**35,417,413**	21,527,315
Deposits (Note 6)	**3,863,326**	3,860,326
Property, Plant and Equipment (Note 7)	**7,706,963**	7,615,430
Exploration and Evaluation Assets (Notes 8, 15)	**61,384,949**	54,464,987
Total Assets	**$ 108,372,651**	$ 87,468,058
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 9,10)	**$ 2,260,221**	$ 1,789,007
Flow-through share premium liability	**4,832,665**	1,163,895
Total Current Liabilities	**7,092,886**	2,952,902
Non-current Liabilities		
Reclamation and other provisions (Note 11)	**11,397,492**	11,362,377
Obligation under capital lease – long term portion	**163,987**	184,696
Total Liabilities	**18,654,365**	14,499,975
EQUITY		
Share Capital (Notes 11)	**132,235,753**	115,415,775
Reserves	**8,001,595**	7,780,875
Accumulated Other Comprehensive Income (Loss) (Note 5)	**85,942**	52,333
Deficit	**(50,605,004)**	(50,280,900)
Total Equity	**89,718,286**	72,968,083
Total Liabilities and Equity	**$ 108,372,651**	$ 87,468,058

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

INTEGRA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited, expressed in Canadian dollars)

	Three Months Ended March 31, 2016	Three Months Ended February 28, 2015
Expenses		
Compensation and benefits	**$ 521,233**	$ 386,745
Corporate development and marketing	**613,224**	218,593
Depreciation (Note 9)	**107,997**	23,571
Office and administration	**146,629**	315,370
Professional fees	**87,557**	200,552
Share-based compensation	**280,770**	777,431
Loss Before Other Income (Expense) And Income Taxes	**(1,757,410)**	(1,922,262)
Other Income (Expense)		
Interest and other income	**149,825**	58,109
Loss on sale of investments	**-**	(1,311,800)
Total Other Income (Expense)	**149,825**	(1,253,691)
Loss Before Income Taxes	**(1,607,585)**	(3,175,953)
Deferred Income Tax Recovery	**1,283,481**	749,428
Net Loss For The Period	**(324,104)**	(2,426,525)
Other Comprehensive Income		
Items that will be reclassified to profit and loss		
Unrealized change in fair value of available-for-sale investments (Note 5)	**33,609**	-
Reclassification of loss realized on sale of available-for-sale investments (Note 5)	**-**	1,129,743
Other Comprehensive Income	**33,609**	1,129,743
Total Comprehensive Loss For The Period	**$ (290,495)**	$ (1,296,782)
Loss Per Share, Basic and Diluted	**$ (0.00)**	$ (0.01)
Weighted Average Number Of Shares Outstanding	**326,916,929**	233,401,909

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

INTEGRA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited, expressed in Canadian dollars)

	Share Capital		Reserves			
	Number	Amount	Share-Based Payments	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
Balance, November 30, 2014	210,628,198	$ 78,650,119	$ 5,993,291	$ (1,129,743)	$ (44,296,818)	$ 39,216,849
Issue of shares for mineral properties	100,000	27,500	-	-	-	27,500
Private placements – Flow-through shares	33,518,590	8,174,284	-	-	-	8,174,284
Flow-through share premium	-	(1,805,752)	-	-	-	(1,805,752)
Share issue costs - cash	-	(620,498)	-	-	-	(620,498)
Share issue costs - warrants	-	(80,000)	-	-	-	(80,000)
Share-based payments – options	-	-	777,431	-	-	777,431
Share-based payments – compensation warrants	-	-	80,000	-	-	80,000
Share-based payments – warrants exercised	150,000	39,000	-	-	-	39,000
Share-based payments – options exercised	100,000	35,424	(15,424)	-	-	20,000
Reclassification of loss realized on sale of available-for-sale investments	-	-	-	1,129,743	-	1,129,743
Net loss for the year	-	-	-	-	(2,426,525)	(2,426,525)
Balance, February 28, 2015	244,496,788	84,420,077	6,835,298	-	(46,723,343)	44,532,032
Balance, December 31, 2015	360,947,069	115,415,775	7,780,875	52,333	(50,280,900)	72,968,083
Private placements – Flow-through shares	31,950,000	15,975,000	-	-	-	15,975,000
Private placements – Non flow-through shares	8,111,895	2,555,247	-	-	-	2,555,247
Flow-through share premium	-	(4,952,250)	-	-	-	(4,952,250)
Share issue costs - cash	-	(1,722,387)	-	-	-	(1,722,387)
Share-based payments - options	-	-	226,286	-	-	226,286
Share-based payments - RSUs	-	-	313,213	-	-	313,213
Share-based payments – warrants exercised	15,636,374	4,750,419	(104,830)	-	-	4,645,589
Share-based payments – RSUs exercised	1,187,500	213,949	(213,949)	-	-	-
Other comprehensive loss	-	-	-	33,609	-	33,609
Net loss for the period	-	-	-	-	(324,104)	(324,104)
Balance, March 31, 2016	**417,832,838**	**$ 132,235,753**	**$ 8,001,595**	**$ 85,942**	**$ (50,605,004)**	**$ 89,718,286**

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

INTEGRA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, expressed in Canadian dollars)

	Three Months Ended March 31, 2016	Three Months Ended February 28, 2015
Operating Activities		
Net loss for the period	**$ (324,104)**	$ (2,426,525)
Non-cash items:		
Depreciation	**107,997**	23,571
Loss on sale of available-for-sale investments	**-**	1,311,800
Share-based compensation	**280,770**	760,104
Deferred income tax recovery	**(1,283,481)**	(749,428)
Changes in non-cash operating assets and liabilities:		
Sales tax recoverable and accounts receivable	**247,222**	(328,323)
Prepaid expenses and deposits	**220,875**	(127,201)
Accounts payable and other financial liabilities	**134,937**	55,329
Cash Used In Operating Activities	**(615,784)**	(1,480,673)
Investing Activities		
Additions to property, plant and equipment	**(185,124)**	(33,112)
Exploration advances	**(44,044)**	-
Exploration costs, net of mining tax credits	**(8,125,201)**	(2,656,387)
Cash Used In Investing Activities	**(8,354,369)**	(2,689,499)
Financing Activities		
Issuance of common shares – private placements	**18,530,247**	6,175,320
Issuance of common shares – options and warrants	**4,645,590**	2,057,964
Proceeds from sale of available-for-sale investments	**-**	227,165
Share issue costs	**(1,727,225)**	(603,171)
Cash Provided By Financing Activities	**21,448,612**	7,857,278
Net Increase In Cash and Cash Equivalents	**12,478,459**	3,687,106
Cash and Cash Equivalents, Beginning Of Period	**16,254,647**	3,599,665
Cash and Cash Equivalents, End Of Period	**$ 28,733,106**	$ 7,286,771
Cash paid for interest	**$ -**	$ -
Cash paid for Part XII.6 tax	**$ 47,501**	$ 15,585

Supplemental disclosures with respect to cash flows and non-cash transactions provided in Note 13.

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

1. NATURE OF OPERATIONS

Integra Gold Corp. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada. On November 13, 2015 the Company changed its fiscal year end from May 31 to December 31 in order to better align itself with industry peers. The Company is a public company listed on the TSX Venture Exchange (the "TSX.V") trading under the symbol "ICG." The address of the Company's corporate office and principal place of business is Suite 2270, 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

The Company is an exploration stage resource company engaged in the acquisition and exploration of mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company has no revenues from mineral producing operations. The operations of the Company have been funded by the issuance of common shares.

The Company currently has only one operating segment, the exploration of mineral properties in Canada. The Company currently holds a number of properties in Canada: its flagship Lamaque South Gold Project ("Lamaque South," previously referred to as "Lamaque") and the Sigma-Lamaque property in Val-d'Or, Québec, properties within the Abitibi Greenstone Belt in Québec and Ontario, and one property in British Columbia.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements of the Company for the three months ended March 31, 2016 and February 28, 2015 were prepared in accordance with International Financial Reporting Standards ("IFRS") specifically, IAS 34 Interim Financial Reporting, as issued by the International Financial Reporting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements should be read in conjunction with the Company's December 31, 2015 audited annual financial statements. These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on May 30, 2016.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Integra Gold (Québec) Inc. The financial statements of the subsidiary are prepared using consistent accounting policies and reporting dates as the Company. All inter-company transactions and balances are eliminated on consolidation. On October 31, 2015, 7955677 Canada Inc., a wholly owned subsidiary of the Company was wound up and its assets were transferred to Integra Gold (Québec) Inc.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

There have been no material revisions to the nature and amount of judgements or estimates as reported in the Company's audited consolidated financial statements for the year ended December 31, 2015.

The significant accounting policies applied in these financial statements are in accordance with IFRS and follow the same accounting policies and methods as described in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2015.

(Unaudited, expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Application of New Accounting Standards

The Company adopts new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards.

The following new IFRS standard was issued and adopted by the Company:

IAS 1, Presentation of Financial Statements ("IAS 1") - In December 2014, the IASB issued amendments to IAS 1 to clarify materiality, order of notes to financial statements, disclosure of accounting policies as well as aggregation and disaggregation of items presented in the statement of financial position, statement of income and statement of comprehensive income.

The application of this new standard has had no material effect on the financial statements of the Company.

The following new IFRS standards are issued but not yet effective for the Company:

IAS 7 Statement of Cash Flows - Disclosure Initiative (Amendments to IAS 7). In January 2016, the IASB issued amendments to IAS 7 in order to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. These amendments shall be applied to fiscal years beginning on or after January 1, 2017. Earlier application is permitted. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 9 Financial Instruments - IFRS 9 (2016 edition) replaces IAS 39, IFRIC 9 and earlier versions of IFRS 9 and includes finalized guidance on the classification and measurement of financial assets. IFRS 9 is to come into effect on January 1, 2018 with early adoption permitted. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning June 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 16 Leases - On January 13, 2016, the IASB issued IFRS 16, Leases. The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 is to come into effect on January 1, 2019 with early adoption permitted. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	March 31, 2016	December 31, 2015
Cash	**$ 5,836,983**	$ 346,206
Short-term investments	**22,896,123**	15,908,441
	$ 28,733,106	$ 16,254,647

(Unaudited, expressed in Canadian dollars)

5. INVESTMENTS

Marketable Securities

Marketable securities are classified as available-for-sale and consist of common shares of publicly traded companies. The fair value of the investments have been determined directly by reference to published market price quotations.

In November 2015, the Company received 1,360,000 common shares from a publicly listed company, for its participation in that company's private placement in the amount of $68,000. In March 2015, in accordance with a debt settlement agreement the Company received 910,000 common shares of the same publicly listed company and in turn reduced its accounts receivable by $45,500. At March 31, 2016, the carrying value of available-for-sale investments was $199,442 (December 31, 2015 - $165,833).

In February 2015, the Company sold available-for-sale investments consisting of shares of a TSX listed company for proceeds of $227,165. The Company realized a loss of $1,129,743 in the three-month period ended February 28, 2015 and a total loss on the investment of $1,311,800.

6. DEPOSITS

	March 31, 2016	December 31, 2015
Security deposits	**$ 175,336**	$ 175,336
Rental deposits	**80,705**	80,705
Reclamation bonds and accrued interest	**3,607,285**	3,604,285
	$ 3,863,326	$ 3,860,326

The Company holds security deposits with Hydro Québec and Gaz Metro for its Sigma-Lamaque milling facility and mines property (the "Mill Property") in Val-d'Or as well as a rental deposit on its head office in Vancouver. Reclamation bonds are being held for reclamation work that must be performed on various sites on its Lamaque South and Sigma-Lamaque properties. Included in this is a $2.6 million bond acquired as part of the Company's Mill Property purchase.

(Unaudited, expressed in Canadian dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	COMPUTERS	OFFICE FURNITURE AND EQUIPMENT	VEHICLES	LAND	BUILDINGS	MILL	EXPLORATION EQUIPMENT	TOTAL
Balance, May 31, 2015	**$ 140,320**	**$ 70,577**	**$ 33,334**	**$ 500,983**	**$ 527,131**	**$ 2,790,558**	**$ 860,018**	**$ 4,922,921**
Additions (adjustments)	$ 100,384	$ (36,710)*	$ -	$ -	$ 1,441,260	$ 107,684	$ 1,168,478	$ 2,781,096
Depreciation	(28,388)	22,903*	(7,778)	-	(28,010)	-	(47,314)	(88,587)
Balance, December 31, 2015	**$ 212,316**	**$ 56,770**	**$ 25,556**	**$ 500,983**	**$ 1,940,381**	**$ 2,898,242**	**$ 1,981,182**	**$ 7,615,430**
Additions (adjustments)	$ 7,250	$ -	$ -	$ -	$ 38,340	$ -	$ 118,825	$ 164,415
Depreciation	(21,425)	(5,360)	(3,334)	-	(23,395)	-	(19,368)	72,882
Balance, March 31, 2016	**$ $198,141**	**$ $51,410**	**$ $22,222**	**$ $500,983**	**$ 1,955,326**	**$ 2,898,242**	**$ 2,080,639**	**$7,706,963**
CARRYING AMOUNTS								
May 31, 2015	$ 140,320	$ 70,577	$ 33,334	$ 500,983	$ 527,131	$ 2,790,558	$ 860,018	$ 4,922,921
December 31, 2015	$ 212,316	$ 56,770	$ 25,556	$ 500,983	$ 1,940,381	$ 2,898,242	$ 1,981,182	$ 7,615,430
March 31, 2016	**$ 198,141**	**$ 51,410**	**$ 22,222**	**$ 500,983**	**$ 1,955,326**	**$ 2,898,242**	**$ 2,080,639**	**$7,706,963**

*Reclassification of assets from Office Furniture and Equipment to Exploration Equipment.

(Unaudited, expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

	March 31, 2016		
	ACQUISITION COSTS AND OPTION PAYMENTS	**DEFERRED EXPLORATION COSTS**	**TOTAL**
Lamaque South Property, Québec	**$ 888,363**	**$ 47,268,582**	**$ 48,156,945**
Roc d'Or Extension Property, Québec	**48,750**	**97,328**	**146,078**
Bourlamaque Property, Québec	**14,000**	**2,778**	**16,778**
MacGregor Property, Québec	**129,800**	**29,795**	**159,595**
Donald Property, Québec	**245,000**	**106,495**	**351,495**
Sigma-Lamaque Property, Québec	**5,443,750**	**7,110,309**	**12,554,059**
	$ 6,769,663	**$ 54,615,287**	**$ 61,384,950**

	December 31, 2015		
	ACQUISITION COSTS AND OPTION PAYMENTS	DEFERRED EXPLORATION COSTS	TOTAL
Lamaque South Property, Québec	$ 888,363	$ 41,857,575	$ 42,745,938
Roc d'Or Extension Property, Québec	48,750	97,328	146,078
Bourlamaque Property, Québec	14,000	2,778	16,778
MacGregor Property, Québec	129,800	29,795	159,595
Donald Property, Québec	245,000	102,495	347,495
Sigma-Lamaque Property, Québec	5,443,750	5,605,353	11,049,103
	$ 6,769,663	$ 47,695,324	$ 54,464,987

Lamaque Group, Québec

<u>Lamaque South</u>

Through its option agreement with Teck Cominco (the "Optionor") dated June 16, 2003, the Company acquired a 50.23% interest in the Tundra Gold Mines Limited ("Tundra") mineral property and 53.07% interest in the Golden Pond Resources Ltd. ("Golden Pond") mineral property (subject to a maximum 2% net smelter returns royalty ("NSR"), of which half (1%) may be purchased for $2 million at any time within one year of commercial production) for cash consideration of $269,000; the issuance of 20,000 shares of the Company, and payment of property remediation services to the Optionor in the amount of $250,000.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

In October 2009, the Company entered into agreements with Tundra and Golden Pond to consolidate ownership at a 100% interest. Pursuant to the agreements, the Company issued one share for every three shares that were then outstanding in the delisted companies. 1,249,599 shares were issued to Tundra and Golden Pond shareholders at a price of $0.30 per share.

Sigma–Lamaque

On October 8, 2014, the Company executed an Asset Purchase Agreement to acquire the Sigma-Lamaque Mill Property adjacent to Integra's Lamaque South project in Val-d'Or, Québec. The Mill Property was acquired from Samson Bélair/Deloitte & Touche Inc., acting as court-appointed receiver of the assets of Century Mining Corporation ("Century"). The aggregate purchase price was $8.05 million, comprised of $1.8 million in cash and 25 million common shares valued at $6.25 million (based on a share price of $0.25 per share).

The value attributed to the mining concessions and claims was $5.4 million. This value was offset by a reclamation liability for the property estimated at $5.0 million.

Roc d'Or East Extension

On September 22, 2009 the Company entered into a property option agreement to earn 100% interest in the Roc d'Or East Extension mineral property in Québec. There is a 2% NSR payable on the Property, of which one-half (1%) may be purchased for $1 million. In order to earn a 100% interest, the Company paid $25,000 and issued 500,000 shares. The Company has now earned its 100% interest, subject only to the NSR.

Bourlamaque

In December 2010, the Company acquired a 100% interest in the Bourlamaque property located in Bourlamaque Township, Québec, adjacent to the Company's flagship Lamaque property. Consideration for the property was $3,500 (paid) and 10,000 shares (issued). As part of the original contract there was a 2% NSR payable, one-half (1%) of which could have been purchased for $1 million. Subsequently, on April 30, 2013 the Company purchased the full NSR for $5,000.

MacGregor Property

In June 2011, the Company enter into an agreement to acquire a 100% interest in the MacGregor property located in Bourlamaque Township, Québec, adjacent to the Company's flagship Lamaque property. Consideration for the property was $90,000 (paid) and 140,000 shares (issued). There is also a 2% NSR payable, one-half (1%) of which may be purchased for $500,000.

Donald Property

In January 2012, the Company enter into an agreement to acquire a 100% interest in the Donald property located directly east of the Lamaque property. Consideration for the property is $175,000 (paid) and 250,000 shares (issued). There is also a 3% gross metal royalty payable, one-third (1%) of which may be purchased for $750,000.

Golden Valley Group, Québec and Ontario

The Company entered into an option agreement with Golden Valley Mines Ltd. ("GZZ") on February 1, 2005 whereby GZZ (as operator) could have earned up to an 85% interest by funding $1 million in exploration expenditures on a group of nine properties located in the Abitibi Greenstone Belt in Québec and Ontario. On December 9, 2008 GZZ entered into a joint venture with the Company, at which time it had earned a 70% interest in the nine properties.

In January 2012 the Company and GZZ entered into a mining option agreement with Golden Cariboo Resources Ltd. ("GCC") wherein GCC wished to acquire an undivided 70% interest in the properties for which it must incur $4.5 million in exploration expenditures over five years, subject to underlying NSRs.

(Unaudited, expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

Golden Valley Group, Québec and Ontario (Continued)

A minimum of $500,000 of GCC's exploration work must had been carried out on the properties jointly held by GZZ and the Company. In December 2015, the Company and GZZ provided a notice of termination of the Option Agreement to GCC. The option agreement was subsequently terminated in January 2016. The Company is no longer obligated to incur any expenditures on the properties, but retains a 7.5% carried interest.

At May 31, 2015, the Company determined that the Golden Valley Group of properties was fully impaired and as such the carrying value of those properties has been written down to nil. Minimal costs are expected to be incurred in relation to these properties and will be expensed.

Char Property, British Columbia

In April 2011, the Company entered into an option agreement to acquire a 100% interest in the Char Property located in British Columbia. In January 2012, the agreement was amended such that the Company would make a cash payment of $15,000 (paid) and issue 60,000 shares (issued) for a 100% interest. As at May 31, 2015, the Company determined that the Char Property was fully impaired and as such the carrying value of those claims has been written down to nil.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities were as follows:

		March 31, 2015		December 31, 2015
Accounts Payable				
<30 days	**$**	**1,249,453**	$	641,531
31 – 60 days		**61,337**		198,711
61 - 90 days		**-**		39,042
>90 days		**6,766**		1,942
Total Accounts Payable		**1,317,556**		881,226
Accrued Liabilities		**882,812**		883,535
Due to Related Parties		**59,853**		24,246
Total Accounts Payable and Accrued Liabilities	**$**	**2,260,221**	$	1,789,007

Accrued liabilities at March 31, 2016, include accruals for compensation, share issue costs, professional fees, Part XII.6 tax, and fixed asset purchases. Also included is the current portion of the Company's capital lease obligations in the amount of $99,133.

(Unaudited, expressed in Canadian dollars)

10. DUE TO/FROM RELATED PARTIES AND RELATED PARTY TRANSACTIONS

All related party transactions were within the normal course of business and have been recorded at amounts agreed to by the transacting parties. Amounts due to related parties do not bear interest, are unsecured, and have no fixed payment terms. Amounts due from related parties may bear interest.

As at March 31, 2016, $59,853 (February 28, 2015 - $64,019) was owed to related parties and $139,868 (February 28, 2015 - $22,391) was due from related parties. Of the amounts due from related parties, $105,388 (February 28, 2015 – Nil) was owed by employees for withholding taxes related to issued restricted share units.

Included in office and administrative expenses are fees charged by a private company wholly owned by the Company's Corporate Secretary for the provision of corporate and accounting services. For the current period these fees amounted to $Nil (February 28, 2015 – $111,434).

Included in Other Income is rental income of $12,192 (February 28, 2015 - $47,500) charged to three companies that sublet a portion of Integra's office space. As at March 31, Integra's CEO was a member of two of the tenants' Boards of Directors while the Company's Corporate Secretary controls the third.

Key Management Compensation:

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 consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel was as follows:

	March 31, 2016	February 28, 2015
Short-term employment benefits	**$400,899**	$342,612
Share-based payments	**368,923**	530,955
Total	**$769,822**	$873,567

Share-based payments include the value of RSUs and stock options vested in the period.

11. RECLAMATION AND OTHER PROVISIONS

Reclamation Costs

In the year ended May 31, 2015, the Company recognized a provision of $5 million for reclamation work associated with the Mill Property acquisition. At December 31, 2015, this provision was revised to $7.8 million. As part of the Mill Property acquisition, the Company gained title to a pre-existing $2.6 million bond which will be released to the Company once reclamation work has been completed and approved. This bond has not been netted against the reclamation liability.

The Company has also accrued additional costs for the Parallel and Triangle Zones, the No. 5 Plug and the No. 3 Mine Zone.

Changes to the reclamation and rehabilitation provision balance during the seven months ended December 31, 2015 and the three months ended March 31, 2016 are as follows:

Balance, May 31, 2015	**$ 6,774,120**
Additional reclamation estimate (Triangle property)	**1,130,819**
Accretion expense	**27,827**
Revision to provision estimate - Sigma	**2,829,611**
Balance, December 31, 2015	**10,762,377**
Accretion expense	**35,115**
Balance, March 31, 2016	**$ 10,797,492**

(Unaudited, expressed in Canadian dollars)

11. RECLAMATION AND OTHER PROVISIONS (Continued)

Reclamation Costs (Continued)

The Company's estimate of its ultimate restoration, rehabilitation and environmental obligations could change due to possible changes in laws and regulations, changes in cost estimates and discount rates.

Other Provisions

During the seven months ended December 31, 2015, the Company recorded a provision related to the 2014 Mill Property acquisition. The timing of any future payments related to the provision has yet to be determined.

12. SHARE CAPITAL

a) Authorized: Unlimited number of shares without par value.

b) Issued: 417,832,838 (December 31, 2015 – 360,947,069) common shares were issued and outstanding, as at March 31, 2016.

Three months ended March 31, 2016:

- On February 11, 2016, the Company closed its bought deal offering of 31,950,000 flow-through common shares at a price of $0.50 for gross proceeds of $15,975,000. The Company paid $1,214,845 in finders' fees and legal expenses in conjunction with that private placement.
- On February 11, 2016, the Company closed its private placement with Eldorado Gold Corp. whereby Eldorado purchased 8,111,895 common shares at a price of $0.315 for gross proceeds of $2,555,247.

Seven months ended December 31, 2015:

- On December 21, 2015, the Company closed a non-brokered private placement and issued 6,250,000 flow-through shares at a price of $0.40 for total proceeds of $2,500,000. The Company paid $171,338 for legal and professional fees in connection with this private placement.
- On August 31, 2015, the Company closed a non-brokered private placement with Eldorado Gold Corporation. The Company issued 52,058,200 shares at a price of $0.28 for total proceeds of $14,576,296. The Company paid $332,392 for legal and professional fees in connection with this private placement.

c) Warrants

A summary of the changes in warrants to acquire an equivalent number of shares as at March 31, 2016, December 31, 2015, and May 31, 2015 is as follows:

	WARRANTS		WEIGHTED AVERAGE EXERCISE PRICE
Warrants outstanding, May 31, 2015	50,990,608		0.30
Exercised	(11,880,970)		0.25
Expired	(1,638,100)		0.80
Warrants outstanding, December 31, 2015	37,471,538	$	0.30
Exercised	(15,636,374)		0.30
Warrants outstanding, March 31, 2016	**21,835,164***	**$**	**0.30**

(Unaudited, expressed in Canadian dollars)

12. SHARE CAPITAL (Continued)

c) Warrants (Continued)

The Company had outstanding warrants as at March 31, 2016 as follows:

WARRANTS	EXERCISE PRICE	EXPIRY DATE
19,198,757	$ 0.30	June 27 2016
827,155	$ 0.26	June 27 2016
1,632,170	$ 0.28	April 22, 2016
177,082	$ 0.28	May 1, 2016
21,835,164*		

*All outstanding warrants were exercised subsequent to the period end at a weighted average exercise price of $0.30.

As at March 31, 2016, the weighted average remaining contractual life of the warrants was 0.23 years (February 28, 2015 – 1.13 years) and the weighted average exercise price was $0.30 (February 28, 2015 - $0.30).

d) Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company exercisable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares at the date of the grant. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX-V policy), or such other price as may be agreed to by the Company and accepted by the TSX-V. Options vest on terms determined by the directors and may vest immediately on the grant date.

A summary of the changes in stock options from May 31, 2015 is as follows:

	STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding, May 31, 2015	18,029,500	0.27
Cancelled/expired	(25,000)	0.40
Exercised	(455,000)	0.25
Granted	4,250,000	0.33
Options outstanding, December 31, 2015	21,799,500	0.28
Cancelled/expired	(650,000)	0.17
Granted	175,000	0.30
Options outstanding, March 31, 2016	**21,324,500**	**$ 0.28**

(Unaudited, expressed in Canadian dollars)

12. SHARE CAPITAL (Continued)

d) Stock Options (Continued)

The Company had outstanding stock options as at March 31, 2016 as follows:

OPTIONS OUTSTANDING	OPTIONS EXERCISABLE	EXERCISE PRICE	WEIGHTED AVERAGE NUMBER OF YEARS TO EXPIRY	EXPIRY DATE
83,000	83,000	$ 0.30	0.48	September 22, 2016
160,000	160,000	$ 0.30	0.92	March 1, 2017
900,000	900,000	$ 0.30	1.61	November 7, 2017
500,000	500,000	$ 0.21	1.81	January 22, 2018
1,031,500	1,031,500	$ 0.30	1.81	January 22, 2018
20,000	20,000	$ 0.24	1.83	January 28, 2018
400,000	400,000	$ 0.25	1.97	March 20, 2018
300,000	300,000	$ 0.20	2.34	August 2, 2018
950,000	950,000	$ 0.22	2.45	September 11, 2018
485,000	485,000	$ 0.40	2.71	December 14, 2018
250,000	250,000	$ 0.39	2.93	March 6, 2019
3,075,000	3,075,000	$ 0.20	4.84	January 29, 2021
300,000	300,000	$ 0.34	4.95	March 13, 2021
300,000	300,000	$ 0.25	5.24	June 27, 2021
1,150,000	825,000	$ 0.24	5.49	September 24, 2021
800,000	600,000	$ 0.245	5.53	October 9, 2021
5,695,000	4,271,250	$ 0.30	5.90	February 20, 2022
500,000	375,000	$ 0.30	5.97	March 20, 2022
125,000	31,250	$ 0.34	6.23	June 22, 2022
150,000	37,500	$ 0.34	6.26	July 2, 2022
100,000	25,000	$ 0.34	6.34	August 1, 2022
500,000	500,000	$ 0.34	1.58	October 27, 2017
200,000	-	$ 0.34	6.58	October 27, 2022
3,175,000	-	$ 0.32	6.73	December 21, 2022
175,000	-	$ 0.30	6.88	February 15, 2023
21,324,500	**15,419,500**		4.81	

As at March 31, 2016, the weighted average remaining contractual life of the options was 4.81 years (February 28, 2015 – 5.41 years), and the weighted average exercise price was $0.28 (February 28, 2015 - $0.27).

The following assumptions were used for the Black-Scholes valuation of stock options granted during the periods ended March 31, 2016 and February 28, 2015:

	Three months ended March 31, 2016	Three months ended February 28, 2015
Dividend rate	**0%**	0%
Expected annualized volatility	**93.21%**	104.16% - 105.72%
Risk free interest rate	**0.97%**	0.96% - 1.05%
Expected life of stock options (years)	**7 years**	7 years
Weighted average FV of options granted	**$0.28**	$0.25

e) Restricted Share Units

The Company has adopted a restricted share unit plan (the "RSU Plan"). The aggregate maximum number of shares available for issuance from treasury under the RSU Plan shall not exceed 10 million shares, and forms a portion of the total available in relation to the stock option plan. The fair value of these equity-settled awards is recognized as compensation expense over the period that related services are rendered with a corresponding increase in equity. The total amount expensed is recognized over the vesting period on a tranche basis, which is the period over which all the specified vesting conditions should be satisfied.

(Unaudited, expressed in Canadian dollars)

12. SHARE CAPITAL (Continued)

e) Restricted Share Units (Continued)

On February 20, 2015 and March 20, 2015, the Company granted a total of 4,750,000 RSUs to its directors, officers and senior employees. The grant was contingent on ratification of the RSU Plan by disinterested shareholders at the Company's Annual General Meeting ("AGM"). The AGM was held on October 13, 2015 and the RSU Plan was ratified. These RSUs had a grant-date fair value of $1,223,500. Compensation expenses related to these RSUs for the period was $213,949 (February 28, 2015 – Nil).

On December 21, 2015, the Company granted 1,325,000 restricted share units ("RSUs") to its directors, officers and senior employees under its RSU Plan. These RSUs will vest as to one third on each November 21, 2016, November 21, 2017, and November 21, 2018. Compensation expenses related to these RSUs for the period was $62,461 (February 28, 2015 – Nil).

f) Flow-Through Commitments

During the three months ended March 31, 2016, the Company issued 31,950,000 flow-through common share for total proceeds of $15,975,000. These expenditures will be renounced at December 31, 2016. The total obligation including the value of tax credits expected to be received is estimated to be approximately $16.0 million. The Company will be obligated to spend that amount by December 31, 2017.

During the seven months ended December 31, 2015, the Company renounced $9.8 million of qualifying Canadian exploration expenses ("CEE"). The total obligation including the value of tax credits expected to be received (which reduces the amount of CEE that can be claimed or renounced) is estimated to be approximately $12.4 million. The Company applied $4.2 million of its exploration spending in the period to this obligation and $8.2 million subsequently, reducing the obligation to $Nil. As of February 1, 2016, the Company is liable to pay Part XII.6 tax on the unspent portion of the commitment.

13. SUPPLEMENTAL CASH FLOW INFORMATION

There were no material non-cash activities conducted by the Company in the three month period ended March 31, 2016. Non-cash activities for the three month period ended February 28, 2015 are as follows:

100,000 shares issued for exploration and evaluation assets	$27,500
Share issuance costs – broker compensation warrants	$80,000

Non-cash share issuance costs all related to compensation warrants granted to brokers in connection with the Company's private placements during the previous year.

14. COMMITMENTS

As at March 31, 2016, the Company was committed to the following payments under equipment and office lease agreements:

2016	442.270
2017	528,615
2018	508,342
2019	231,632
2020	22,697
	$ 1,733,556

(Unaudited, expressed in Canadian dollars)

15. SCHEDULE OF EXPLORATION AND EVALUATION COSTS

THREE MONTHS ENDED MARCH 31, 2016

	LAMAQUE GROUP, QUÉBEC	SIGMA-LAMAQUE, QUÉBEC	TOTAL
Acquisition Costs			
Opening balance-acquisition	$ 1,325,913	$ 5,443,750	$ 6,769,663
Ending balance – acquisition costs	1,325,913	5,443,750	6,769,663
Exploration Costs			
Opening balance-exploration	42,089,971	5,605,353	47,695,324
Consulting	15,705	500	16,205
Payroll	1,207,024	114,901	1,321,925
Drilling	4,137,078	-	4,137,078
Reclamation and other provisions	-	-	-
Geological	276,545	1,147,013	1,423,558
Line cutting	-	-	-
Mapping and sampling	400,968	-	400,968
Surveys	166,571	-	166,571
Field costs and road construction	952,675	206,811	1,159,486
Site administration, taxes	27,915	35,730	63,645
Government assistance*	(1,769,475)	-	(1,769,475)
Write-off of costs	-		-
Ending balance, exploration costs	47,504,978	7,110,309	54,615,287
Balance, March 31, 2016	**$ 48,830,891**	**$ 12,554,059**	**$ 61,384,950**

*As of March 31, 2016, the Company accrued $1,769,475 for its Québec tax credits, related to its 2015 private placements - $797,253 for Québec tax credits related to its April 8, 2015 private placement ($774,048 accrued as at December 31, 2015) and $972,222 for Québec tax credits related to its December 21, 2015 private placement ($Nil accrued as at December 31, 2015).

(Unaudited, expressed in Canadian dollars)

16. SCHEDULE OF EXPLORATION AND EVALUATION COSTS (Continued)

SEVEN MONTHS ENDED DECEMBER 31, 2015

	LAMAQUE GROUP, QUÉBEC	SIGMA-LAMAQUE, QUÉBEC	TOTAL
Acquisition Costs			
Opening balance-acquisition	$ 1,288,413	$ 5,443,750	$ 6,732,163
Property payments - cash	20,000	-	20,000
Property payments – shares	17,500	-	17,500
Ending balance – acquisition costs	1,325,913	5,443,750	6,769,663
Exploration Costs			
Opening balance-exploration	31,820,946	451,026	32,271,972
Consulting	173,037	7,699	180,736
Payroll	1,934,439	177,418	2,111,857
Drilling	3,645,299	-	3,645,299
Reclamation and other provisions	1,130,819	3,429,611	4,560,430
Geological	799,260	760,408	1,559,668
Line cutting	-	33,265	33,265
Mapping and sampling	687,329	1,849	689,178
Surveys	6,991	240	7,231
Field costs and road construction	2,963,909	684,037	3,647,946
Site administration, taxes	29,893	59,800	89,693
Government assistance*	(1,101,951)	-	(1,101,951)
Write-off of costs	-		-
Ending balance, exploration costs	42,089,971	5,605,353	47,695,324
Balance, December 31, 2015	**$ 43,415,884**	**$ 11,049,103**	**$ 54,464,987**

*As December 31, 2015, the Company accrued $2,104,210 ($1,841,833 accrued as at May 31, 2015) for Québec tax credits and 21,024 for Québec mining credits, related to its 2014 private placements.

*On December 31, 2015, the Company also accrued $774,048 for Québec tax credits and $44,585 for Québec mining credits, related to its 2015 private placements.

*In October and December 2015, the Company received a total of $821,988 for its May 2014 tax credit.

16. FINANCIAL RISK MANAGEMENT

Financial instruments are classified into one of five categories: fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the statements of financial position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value depend on their initial classification. Fair values through profit or loss financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income or loss until the instrument is derecognized or impaired.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of the following:

Financial assets:	**Classification**
Cash and cash equivalents	Fair value through profit or loss
Accounts receivable	Loans and receivables
Investments in marketable securities	Available-for-sale financial assets

Financial liabilities:	**Classification**
Accounts payable and accrued liabilities	Other financial liabilities

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liquidity risks is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: currency risk, interest rate risk and other price risk.

The Company manages liquidity risk by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company's ability to raise share capital is related, among other things, to changing metal prices.

The Company is exposed to equity price risk arising from its marketable securities, which are classified as available-for-sale. The Company plans to sell its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

17. CAPITAL MANAGEMENT

In the definition of capital, the Company includes cash and equity, comprising issued common shares and reserves.

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 development 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.

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

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

18. SUBSEQUENT EVENTS

- Subsequent to the current period, 21,835,164 warrants were exercised for proceeds of $6,481,278.
- Subsequent to the current period, 275,000 options were exercised for proceeds of $86,000.
- On May 13, 2016, the Company announced it has entered into an agreement with Raymond James Ltd. and Paradigm Capital Inc., acting on behalf of a syndicate of underwriters to purchase 23,100,000 flow through shares of Integra (the "Offering") on a bought deal basis, at a price of $0.87 for aggregate gross proceeds of $20.1 million. The Company has granted the Underwriter an option to purchase up to an additional 15% of the flow-through shares which would increase the gross proceeds of the Offering by approximately $3 million. In addition, the Company announced a second separate bought deal financing for 8,500,000 common shares at $0.59 per share for gross proceeds of $5.0 million. Both offering are expected to close on or about June 2, 2016.
- On April 19, 2016, notice was provided to warrant holders from the June 27, 2014 private placement that due to the increase in the Company's volume weighted average stock price, it was accelerating the warrant expiry date to May 23, 2016 from June 27, 2016 as permitted in the terms of the Warrant Indenture.