OSPREYGOLD
DEVELOPMENT LTD.

(Formerly Gonzaga Resources Ltd.)

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

For the Year Ended November 30, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Osprey Gold Development Ltd. (formerly Gonzaga Resources Ltd.)

We have audited the accompanying financial statements of Osprey Gold Development Ltd. (formerly Gonzaga Resources Ltd.), which comprise the statement of financial position as at November 30, 2016, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Osprey Gold Development Ltd. (formerly Gonzaga Resources Ltd.) as at November 30, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Osprey Gold Development Ltd.'s (formerly Gonzaga Resources Ltd.) ability to continue as a going concern.

Other Matters

The financial statements of Osprey Gold Development Ltd. (formerly Gonzaga Resources Ltd.) for the year ended November 30, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on March 24, 2016.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

March 22, 2017

Osprey Gold Development Ltd.
(Formerly Gonzaga Resources Ltd.)
Statements of Financial Position
In Canadian Dollars

	Note	November 30, 2016	November 30, 2015
ASSETS			
Current			
Cash		$ 15,756	$ 58,721
Prepaids		1,228	-
GST recoverable		184	-
		17,168	58,721
Mineral Property Interests	4	13,521	13,521
		$ 30,689	$ 72,242
LIABILITIES AND SHARE HOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 37,670	$ 11,552
Shareholders' equity			
Share Capital	5	767,625	718,277
Reserves	5	260,749	260,749
Deficit		(1,035,355)	(918,336)
		(6,981)	60,690
		$ 30,689	$ 72,242

Nature of Operations and Going Concern *(Note 1)*
Subsequent Events *(Note 12)*

Approved and authorized by the Board on March 22, 2017.

"Adrian Fleming"	Director	*"Jeffrey Wilson"*	Director
Adrian Fleming		Jeffrey Wilson	

- See Accompanying Notes to the Financial Statements -

Osprey Gold Development Ltd.
(Formerly Gonzaga Resources Ltd.)
Statements of Loss and Comprehensive Loss
For the Years Ended November 30
In Canadian Dollars

	Note	2016	2015
Expenses			
Audit and accounting	8	$ 14,200	$ 23,450
Exploration and evaluation costs	4	54,953	2,000
Insurance		-	3,333
Legal		33,478	2,686
Office and administration	8	2,967	15,739
Transfer agent and filing fees		11,421	12,356
Total Expenses		117,019	59,564
Forgiveness of accounts payable	9	-	(38,900)
Net Loss and comprehensive loss for the year		$ 117,019	$ 20,664
Loss per share – basic and diluted		$ 0.01	$ 0.00
Weighted average number of common shares outstanding		13,225,000	12,788,333

– See Accompanying Notes to the Financial Statements –

Osprey Gold Development Ltd.
(Formerly Gonzaga Resources Ltd.)

Statements of Cash Flows

For the Year Ended November 30

In Canadian Dollars

Cash Provided By (Used In):		**2016**		**2015**
Operating activities:				
Net loss for the year	$	(117,019)	$	(20,664)
Items not affecting cash:				
Forgiveness of accounts payable		-		(38,900)
Change in non-cash working capital:				
GST recoverable		(184)		343
Prepaid expenses		(1,228)		3,337
Accounts payable and accrued liabilities		26,118		5,870
		(92,313)		(50,014)
Financing activities:				
Proceeds from issuance of shares (Note 5a)		50,400		-
Share issue costs paid		(1,052)		-
		49,348		-
Net decrease in cash		(42,965)		(50,014)
Cash – beginning of year		58,721		108,735
Cash – end of year	$	15,756	$	58,721

Supplemental cash flow information:		**2016**		**2015**
Forgiveness of accounts payable	$	-	$	41,680
Interest paid in cash during the year	$	-	$	-
Income taxes paid in cash during the year	$	-	$	-

- See Accompanying Notes to the Financial Statements -

Osprey Gold Development Ltd.
(Formerly Gonzaga Resources Ltd.)
Statements of Changes in Shareholders' Equity
For the Year Ended November 30, 2016
In Canadian Dollars

	Share Capital					
	Shares	Amount $	Share Option Reserves $	Warrant And Other Reserves $	Deficit $	Total $
Balance, November 30, 2014	12,788,333	718,277	130,027	130,722	(897,672)	81,354
Net loss for the year	-	-	-	-	(20,664)	(20,664)
Balance, November 30, 2015	12,788,333	718,277	130,027	130,722	(918,336)	60,690
Net loss for the year	-	-	-	-	(117,019)	(117,019)
Private placement	504,000	50,400	-	-	-	50,400
Share issue costs	-	(1,052)	-	-	-	(1,052)
Balance, November 30, 2016	13,292,333	767,625	130,027	130,722	(1,035,355)	(6,981)

– See Accompanying Notes to the Financial Statements –

1. Nature of Operations and Going Concern

Osprey Gold Development Ltd. ("the Company" or "Osprey") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on April 8, 2010. The Company is in the business of exploration, development and exploitation of mineral resources in Canada. The Company's registered address is: Suite 420 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6. The Company changed its name to Osprey Gold Development Ltd., on January 9, 2017 and began trading under the symbol "OS" on the Toronto Stock Exchange's Venture Exchange.

The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At November 30, 2016, the Company had not achieved profitable operations, had an accumulated deficit of $1,035,355 since inception and expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These 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.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities.

2. Basis of Presentation

a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale and financial assets at fair value through profit or loss, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting.

The accounting policies set out in Note 3 have been applied consistently by the Company during the current year.

2. Basis of Presentation – *Continued*

b) **Functional and Presentation Currency**

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

3. Significant Accounting Policies

a) **Cash**

The Company considers cash to include amounts held in banks. The Company places its cash with major financial institutions in Canada.

b) **Mineral Property**

i) Exploration and Evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as expenses as they are incurred during the period.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all non-recoverable costs associated with the project net of any impairment provisions are written off.

ii) Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mine under development. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management, are capitalized. Development expenditure is net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete. The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

3. Significant Accounting Policies – *Continued*

b) **Mineral Property** – *Continued*

iii) Impairment

The carrying value of all categories of mineral property are reviewed at least annually by management for indicators that the recoverable amount may be less than the carrying value. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset or CGU through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs. Once calculated, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures, underlying the fair value estimates are subject to risks uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

3. Significant Accounting Policies – *Continued*

c) **Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

d) **Site Closure and Reclamation Provision**

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated on a basis consistent with depreciation, depletion, and amortization of the underlying assets.

The obligation is accreted over time for the change in their present value, with this accretion charge recognized as a finance expense in the statements of comprehensive loss. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in profit or loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company’s closure and reclamation obligations becomes available.

3. Significant Accounting Policies – *Continued*

e) **Income Taxes**

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized either in other comprehensive income or directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) **Share Capital**

i) The proceeds from the exercise of stock options, common share purchase warrants and purchase of common shares are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair value of these common shares at the date the shares were granted.

iii) The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a prorated basis using relative fair values of common shares and common share purchase warrants. The fair value of common shares is based on the market close on the date the shares are issued. The fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model.

All costs related to issuances of share capital are charged against the proceeds received from the related share capital.

3. Significant Accounting Policies – *Continued*

g) Loss per Share

Basic loss per share is calculated using the weighted average number of common shares issued and outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings per share. Diluted and basic loss per share are the same because the effects of potential issuances of common shares under stock options and warrants would be anti-dilutive.

h) Comprehensive Income

Comprehensive income includes net income or loss and other comprehensive income or loss. Other comprehensive income or loss may include holding gains and losses on available-for-sale securities, gains and losses on certain derivative instruments and foreign gains and losses from self-sustaining foreign operations. During the year presented, the Company did not have any other comprehensive income components.

i) Share-based payments

From time to time, the Company grants options to directors, officers, employees and nonemployees to purchase common shares. The Company accounts for share-based payments, including stock options, at their fair value on the grant date and recognizes the cost as a compensation expense over the period that the employees become entitled to the award. The fair value of the options on the grant date is determined using the Black-Scholes pricing model for stock option awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. A corresponding increase is recognized in shareholders' equity for these costs.

j) Financial instruments

The Company accounts for its financial instruments as follows:

Cash	Loans and receivables
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

3. Significant Accounting Policies – *Continued*

j) **Financial instruments** – *Continued*

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than 12 months after the end of the reporting period, which are classified as non-current assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has classified cash as loans and receivables.

Financial Assets at Fair Value Through Profit or Loss

An instrument is classified at fair value through profit or loss if it is held for trading. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. The Company has not designated any financial assets at fair value through profit or loss.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-forsale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an instrument is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company has not designated any financial assets as available-for-sale.

Financial Liabilities

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified as fair value through profit and loss are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at fair value through profit and loss are expensed as incurred. The Company's financial liabilities consist of accounts payable and accrued liabilities.

3. Significant Accounting Policies – *Continued*

j) **Financial instruments** – *Continued*

Impairment of Financial Assets

The Company assesses at the end of each reporting date whether there are indicators of impairment present for financial assets other than financial assets valued through profit and loss. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted using the instrument’s original effective interest rate.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss, is removed from equity and recognized in profit or loss.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

k) **Critical accounting judgments and estimates**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

3. Significant Accounting Policies – *Continued*

k) **Critical accounting judgments and estimates** – *Continued*

Estimates:

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: impairment of mineral property; provision for environmental rehabilitation; inputs used in the valuation of share-based payments; and provision for deferred income tax, including the effects of flow-through shares.

Judgments:

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Recoverability of capitalized mineral property costs

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Going Concern

The Company has incurred significant losses and has made the judgment that the Company is a going concern and will continue into the foreseeable future for at least one year. The factors considered by management are disclosed in Note 1.

In Canadian Dollars

3. Significant Accounting Policies – *Continued*

l) New, amended and future accounting pronouncements

Standards and amendments issued but not yet effective for the year ended November 30, 2016, are as follows:

IFRS 9, *Financial Instruments* addresses classification, measurement and recognition of financial assets and financial liabilities. In July 2014, IASB completed the final version of the Standard which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a reformed approach to hedge accounting. The effective date for this standard is for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not expect any impact from this amendment.

IFRS 16, *Leases,* addresses accounting for leases and lease obligations and replaces the leasing guidance in IAS 17, Leases. The guidance requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The guidance is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect any impact from this guidance.

4. Mineral Property Interests

a) Acquisition Costs

Details of activities for the years ended November 30, 2016 and 2015 are as follows:

Kennedy River Project, BC, Canada		**November 30, 2016**		**November 30, 2015**
Net book value	$	13,521	$	13,521

b) Exploration and Evaluation Costs

Details of the cumulative exploration expenditures for the years ended November 30, 2016 and 2015 are as follows:

Kennedy River Project, BC, Canada		**November 30, 2016**		**November 30, 2015**
Opening cumulative expenditure	$	186,085	$	184,085
Mineral exploration costs:				
Camp and general		2,453		-
Geological and geophysical		16,500		-
Mapping and interpretation		10,500		-
Technical report		25,500		2,000
Total mineral exploration costs		54,953		2,000
Ending cumulative expenditure	$	241,038	$	186,085

In Canadian Dollars

4. Mineral Property Interests – *Continued*

c) Kennedy River Project, BC, Canada

In April 2010, the Company staked two mineral claim blocks called the Kennedy River Project located near Port Alberni on Vancouver Island in British Columbia. On December 30, 2013, the mineral claim for Kennedy River North claim block lapsed, leaving 10 mineral tenures in good standing for Kennedy River South claim block.

5. Shareholders' Equity

The Company's authorized share capital consists of an unlimited number of common shares without par value.

a) Share Capital Transactions

On January 18, 2016, the Company closed a private placement for gross proceeds of $50,400 through the issuance of 504,000 common shares at a price of $0.10 per share.

The Company did not have any share capital transactions during the year ended November 30, 2015.

b) Reserves

The following is a summary of the reserves components relating to stock options and warrants:

		November 30, 2016		November 30, 2015
Options	$	130,027	$	130,027
Warrants		130,722		130,722
Total	$	260,749	$	260,749

In Canadian Dollars

5. Shareholders' Equity – *Continued*

c) Stock Options

The board of directors may grant incentive stock options to the Company's directors, officers, employees and consultants for the purchase of common shares in an aggregate amount of up to 10% of the Company's issued and outstanding common shares from time to time. The number of shares reserved for issuance to: i) any one optionee during any 12 month period shall not exceed 5% of the issued and outstanding shares, calculated at the date such options are granted; ii) any one optionee, who is a consultant, during any 12 month period shall not exceed 2% of the issued and outstanding shares, calculated at the date such options are granted; and iii) any employees and consultants who are engaged or employed in investor relations services during any 12 month period shall not exceed 2% of the issued and outstanding shares, calculated at the date such options are granted. The price of stock options granted is determined by the Board and the maximum term of stock options is ten years.

The vesting schedule for each option shall be specified at the time of grant; provided that if no vesting schedule is specified at the time of grant, the option shall vest immediately on the grant date. Options granted to optionees who provide investor relations services shall vest in stages over twelve months, with no more than one quarter of the options vesting over any three month period.

Details of activity in share purchase options for the years ended November 30, 2016 and 2015 are as follows:

November 30, 2015 and 2014	Issued	Expired	November 30, 2016	Exercise Price	Expiry Date
700,000	-	(700,000)	-	$0.15	June 6, 2016

6. Segmented Information

The Company has only one reportable operating segment, being mineral property explorations in Canada.

In Canadian Dollars

7. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2016	2015
Loss for the year	$ (117,019)	$ (20,664)
Expected income tax (recovery)	(30,000)	(5,000)
Change in statutory, foreign tax, foreign exchange rates and other	(4,000)	(19,000)
Change in unrecognized deductible temporary differences	34,000	24,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2016	Expiry Date Range	2015	Expiry Date Range
Exploration expenses	$ 192,000	No expiry	$ 134,000	No expiry
Non-capital losses available for future periods	$ 790,000	2017 to 2036	$ 713,000	2016 to 2035

8. Key Management and Related Party Transactions

Related party transactions and balances are as follows:

Key management personnel:

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, corporate officers and a vice president. During the years ended November 30, 2016 and 2015, officers and Board members were not paid or accrued any compensation.

Other related parties:

During the year ended November 30, 2016, the Company paid/accrued $Nil (2015: $6,000) in office and administration expense and $5,750 (2015: $15,000) in accounting expense to CDM Capital Partners Inc., a company partially controlled by Darren Devine, the CFO and Corporate Secretary of the Company.

In Canadian Dollars

9. Gain on Forgiveness of Accounts Payable

During the year ended November 30, 2015, $19,280 of accounts payable, including GST, due to related parties and $22,400 of accounts payable, including GST, due to an arm's-length party were forgiven, resulting in a total of $38,900 of gain on forgiveness of accounts payable.

10. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements. There was no change in management's approach to capital management during the year ended November 30, 2016.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

11. Financial Instruments

The classification of the financial instruments as well as their carrying values is shown in the table below:

Loans and receivables	$	15,756
Financial liabilities measured at amortized cost	$	37,670

a) Fair Value of Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

11. Financial Instruments – *Continued*

a) Fair Value of Financial Instruments – *Continued*

The fair values of cash and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

b) Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including credit risk, liquidity risk, interest rate risk and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) Credit Risk – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's only credit risk relates to its cash balance, which is kept with a large Canadian bank and therefore is a negligible credit risk.

(ii) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

(iii) Interest Rate Risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Commodity Price Risk – The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

12. Subsequent Events

a) On January 25, 2017, the Company granted 1,325,000 stock options to directors, officers, and consultants of the Company. Each option is exercisable at a price of $0.30 for a period of five years.

b) On January 10, 2017, the Company entered in to a binding Letter of Intent (the "LOI") with Crosby Gold Ltd. ("Crosby") pursuant to which the Company acquired (the "Acquisition") 100% of Crosby's interest in and option rights to the Goldenville Gold Project located in Guysborough County, Nova Scotia (the "Goldenville Property"), along with three other gold properties in Nova Scotia.

   On March 2, 2017, the Company completed the Acquisition and acquired all of the issued and outstanding shares of Crosby (the "Crosby Shares") in consideration of the issuance of an aggregate of 5,840,000 common shares of the Company to Crosby's shareholders. Upon completion of the Acquisition, Crosby became a wholly owned subsidiary of the Company.

c) The Company closed a non-brokered private placement issuing 7,200,000 units of Osprey at a price of $0.25 per unit, for aggregate proceeds of $1,800,000. Each unit consists of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.40 per share for a period of 18 months. The Company paid aggregate cash finders' fees of $90,480 and issued 433,920 Finders' Warrants in connection with the Private Placement. Each Finder's Warrant entitles the holder to acquire one common share of the Company at $0.40 per share for 18 months.