EUROSUN MINING

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

(Expressed in United States Dollars)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Euro Sun Mining Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2017 have not been reviewed by the Company's auditors.

EURO SUN MINING INC.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)

As at:		June 30, 2017 (Unaudited)		December 31, 2016
Assets				
Current assets				
Cash and cash equivalents	**$**	**2,706,794**	$	5,511,102
Restricted deposits		**23,118**		22,343
Prepaid expenses and sundry receivables		**157,889**		169,922
Total current assets		**2,887,801**		5,703,367
Non-current assets				
Property, plant and equipment		**29,192**		32,436
Total assets	**$**	**2,916,993**	$	5,735,803
Liabilities				
Current liabilities				
Trade and other payables (Notes 4 and 5)	**$**	**355,522**	$	851,003
Total current liabilities	**$**	**355,522**		851,003
Equity attributable to shareholders				
Share capital (Note 6(b))		**202,320,836**		202,320,836
Warrants		**2,627,351**		2,627,351
Contributed surplus		**4,679,005**		4,679,005
Accumulated deficit		**(207,021,532)**		(204,890,732)
Accumulated other comprehensive income		**(44,189)**		148,340
Total equity		**2,561,471**		4,884,800
Total liabilities and equity (deficiency)	**$**	**2,916,993**	$	5,735,803

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 10)

Approved by the Board of Directors on August 9, 2017:

"David Danziger", Director   *"Stan Bharti"*, Director

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

EURO SUN MINING INC.

Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in United States Dollars)
(Unaudited)

	Three months ended June 30, 2017	Three months ended June 30, 2016	**Six months ended June 30, 2017**	Six months ended June 30, 2016
Expenses				
General and administrative (Note 7(a))	**$ 171,598**	$ 380,841	**$ 415,487**	$ 1,581,687
Consulting and management expense (Note 7(b))	**309,224**	4,411,844	**627,942**	4,625,522
Exploration and evaluation expenditures (Note 8)	**680,421**	227,558	**1,218,725**	442,462
Legal settlements (Note 10(b))	**76,930**	-	**151,522**	-
Depreciation and amortization	**-**	22,036	**-**	44,048
Impairment	**-**	70,013	**-**	70,013
Other (income) (Note 7(c))	**(214,559)**	(4,900,509)	**(282,876)**	(344,737)
Net (loss) from continuing operations for the period	**(1,023,614)**	(211,783)	**(2,130,800)**	(6,418,995)
Net income from discontinued operations for the period (Note 3)	**-**	230,624,463	**-**	230,531,490
Net (loss) income for the period	**(1,023,614)**	230,412,680	**(2,130,800)**	224,112,495
Other comprehensive (loss) income				
Items that may be reclassified subsequently to profit or loss:				
Cumulative translation adjustments	**(169,411)**	(4,700,929)	**(192,529)**	-
Other comprehensive (loss) for the period from continuing operations	**$ (169,411)**	$ (4,700,929)	**$ (192,529)**	$ -
Total comprehensive (loss) for the period from continuing operations	**$ (1,193,025)**	$ (4,912,712)	**$ (2,323,329)**	$ (6,418,995)
Total comprehensive income for the period from discontinued operations	**$ -**	$ 230,624,463	**$ -**	$ 230,531,490
Total comprehensive (loss) income for the period	**$ (1,193,025)**	$ 225,711,751	**$ (2,323,329)**	$ 224,112,495
Basic and diluted (loss) per share				
- continuing operations	**$ (0.02)**	$ -	**$ (0.04)**	$ (0.16)
Basic and diluted income per share				
- discontinued operations	**$ -**	$ 5.20	**$ -**	$ 5.58
Total basic and diluted (loss) income per share	**$ (0.02)**	$ 5.20	**$ (0.04)**	$ 5.42
Weighted average number of common shares outstanding - basic and diluted	**50,001,170**	44,352,272	**50,001,170**	41,284,535

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

EURO SUN MINING INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in United States Dollars)
(Unaudited)

	Share Capital	Warrants	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity (Deficiency)
	$	$	$	$	$	$
Balance, December 31, 2015	196,773,069	3,256,109	2,201,847	(429,967,103)	(21,495,740)	(249,231,818)
Shares issued in private placements	8,630,675	-	-	-	-	8,630,675
Valuation of warrants	(2,507,222)	2,507,222	-	-	-	-
Valuation of broker warrants	(283,401)	283,401	-	-	-	-
Transaction costs incurred	(333,657)	(163,272)	-	-	-	(496,929)
Share-based payment	-	-	4,217,517	-	-	4,217,517
Expiry of stock options	-	-	(43,711)	43,711	-	-
Expiry of warrants	-	(3,256,109)	-	3,256,109	-	-
Net income and comprehensive income for the period	-	-	-	224,112,495	21,495,740	245,608,235
Balance, June 30, 2016	202,279,464	2,627,351	6,375,653	(202,554,788)	-	8,727,680
Balance, December 31, 2016	202,320,836	2,627,351	4,679,005	(204,890,732)	148,340	4,884,800
Net (loss) and comprehensive (loss) for the period	-	-	-	(2,130,800)	(192,529)	(2,323,329)
Balance, June 30, 2017	202,320,836	2,627,351	4,679,005	(207,021,532)	(44,189)	2,561,471

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

EURO SUN MINING INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in United States Dollars)
(Unaudited)

	Six months ended June 30, 2017	Six months ended June 30, 2016
	$	$
Cash flows from operating activities		
(Loss) income for the period	**(2,130,800)**	224,112,495
Adjustment for:		
Depreciation and amortization	**3,244**	44,048
Accretion	**-**	87,740
Unrealized foreign exchange gain	**-**	(391,528)
Gain on disposition of MRDM	**-**	(230,826,366)
Share-based payments	**-**	4,217,517
Impairment	**-**	1,417,475
Interest income	**(15,777)**	(6,621)
Deferred share unit costs (Note 5)	**14,968**	41,128
	(2,128,365)	(1,304,112)
Trade receivables	**-**	307,504
Prepaid expenses and sundry receivables	**12,033**	(1,176,442)
Inventories	**-**	(1,796,598)
Trade and other payables	**(510,450)**	3,316,791
Net cash used in operating activities	**(2,626,782)**	(652,857)
Cash flows from investing activities		
Restricted deposits	**-**	13,074
Interest income	**15,777**	6,621
Acquisition of property, plant and equipment	**-**	(1,432,616)
Mine development assets	**-**	(909,416)
Cash disposed of in MRDM	**-**	(250,961)
Net cash used in investing activities	**15,777**	(2,573,298)
Cash flows from financing activities		
Proceeds from project loan facility	**-**	2,686,260
Proceeds from private placements	**-**	8,178,686
Net cash from financing activities	**-**	10,864,946
Effect of exchange rate changes on cash and cash equivalents	**(193,303)**	582,173
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(2,804,308)**	8,220,964
CASH AND CASH EQUIVALENTS, beginning of period	**5,511,102**	621,411
CASH AND CASH EQUIVALENTS, end of period	**2,706,794**	8,842,375

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

Euro Sun Mining Inc., together with its subsidiaries (collectively the “Company”), is a gold and copper exploration and development mining company focused primarily on its 100% owned Rovina Valley Project (“RVP”) located in west-central Romania.

The Company was incorporated under the federal laws of Canada (the *Canada Business Corporations Act*) on January 17, 2003, is domiciled in Canada and its common shares are currently posted for trading and listed on the Toronto Stock Exchange (“TSX”) under the symbol "ESM". The address of its registered office is 65 Queen Street West, Suite 805, Toronto, Ontario, M5H 2M5.

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of business for the next fiscal year. For the six months ended June 30, 2017, the Company incurred a net loss of $2,130,800 and as at June 30, 2017, reported an accumulated deficit of $207,021,532 and working capital of $2,532,279 including $2,706,794 in cash and cash equivalents. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company’s status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. Management believes its working capital is sufficient to support activities for the next twelve months.

These unaudited condensed interim consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown as assets of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves and future profitable operations.

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, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

The Company was the previous owner of Mineração Riacho dos Machados Ltda. (“MRDM”) and the Riacho dos Machados project (“RDM Project”) in Brazil. See Note 3.

(Expressed in United States Dollars)

2. Basis of Preparation

The Company prepares its unaudited condensed interim consolidated financial statements in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These statements are condensed and do not include all of the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2016.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 9, 2017.

Basis of measurement

The condensed interim consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value.

Basis of presentation

The condensed interim consolidated financial statements of the Company consolidate the accounts of Euro Sun Mining Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

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. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company's financial statements consolidate its subsidiaries which comprise the following at June 30, 2017:

Name of entity	Country of incorporation	Ownership
SAMAX Romania Limited	British Virgin Islands	100%
SAMAX Romania S.R.L.	Romania	100%

On April 29, 2016, the Company closed a transaction to dispose of certain of its subsidiaries (see Note 3). On October 31, 2016, Carpat Gold S.R.L., one of the Company's subsidiaries, was dissolved. On January 30, 2017, two of the Company's subsidiaries, Carpathian Gold Limited and Samax Romania Limited, merged. The surviving company was named Samax Romania Limited. On April 19, 2017, Ore-Leave Capital (Barbados) Limited was continued into the British Virgin Islands from Barbados and was named Ore-Leave Capital Limited. On June 7, 2017, Ore-Leave Capital Limited and Samax Romania Limited merged, the surviving company is Samax Romania Limited.

Significant accounting policies

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2016, except for the adoption of the following new standards and interpretations issued by the IASB that were effective as of January 1, 2017.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. There was no impact on the Company's interim financial statements upon adoption of IAS 7 on January 1, 2017.

(Expressed in United States Dollars)

2. Basis of Preparation (continued)

Significant accounting policies (continued)

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. There was no impact on the Company's interim financial statements upon adoption of IAS 12 on January 1, 2017.

3. Non-current assets held for sale and discontinued operations

On April 29, 2016, the Company closed a transaction to dispose of its RDM Project producing gold project in Brazil.

Yamana Gold Inc.'s Brio Gold division ("Brio") purchased from Macquarie Bank Limited ("Macquarie") all of Macquarie's rights and interest in its secured loan to the RDM Project of the Company's subsidiaries as below.

Name of entity	Country of incorporation	Ownership
Ore-Leave Capital (Brazil) Limited	Barbados	100%
OLV Cooperatie U.A.	The Netherlands	100%
OLC Holdings B.V.	The Netherlands	100%
Mineração Riacho dos Machados Ltda. ("MRDM")	Brazil	100%

On April 29, 2016, the Ontario Superior Court of Justice (Commercial List) issued an order approving, among other things, a credit bid transaction, which was initiated by Brio with the cooperation of the Company, and the sale to Brio of all of the Company's direct and indirect equity interests in MRDM (the "Restructuring").

Brio has delivered to the Company and the directors of the Company and certain of its subsidiaries a full release and discharge with respect to any liability under (i) the project loan facility, the gold purchase agreement and the gold sale and purchase agreement and related guarantees previously entered into by Macquarie and the Company, MRDM and certain other subsidiaries of the Company, and (ii) Macquarie's security in respect of the foregoing agreements previously acquired by Brio from Macquarie, including the Company's guarantee thereof.

Furthermore, Brio entered into a subscription agreement with the Company whereby Brio agreed to purchase 70,194,444 pre-consolidation common shares (the "Shares") in the capital stock of the Company at a price of CAD$0.018 per Share for aggregate gross proceeds of US$1,000,000 (CAD$1,253,600) on a private placement basis.

As at December 31, 2016, the Restructuring has been completed and all the assets, liabilities and obligations related to the RDM Project have been disposed of. The income from discontinued operations for the six months ended June 30, 2016 of $230,531,490 includes the revenues and expenses of the RDM project up to the date of disposition of April 29, 2016, along with the gain on disposition of $230,628,958.

(Expressed in United States Dollars)

3. Non-current assets held for sale and discontinued operations (continued)

The following table presents summarized consolidated statements of (loss) and comprehensive (loss) related to the discontinued operations of MRDM:

	Three months ended June 30, 2016	Six months ended June 30, 2016
Revenue	**$ 4,780,606**	**$ 20,275,211**
Expenses		
Costs and expenses of mining operations		
Operating costs and mine site administrative expenses	4,016,798	16,181,804
General and administrative	517,653	2,283,993
Employee compensation expense	202,452	714,122
Gain on disposition of MDRM	(230,628,958)	(230,628,958)
Impairment	-	1,132,558
Finance costs		
Accretion	21,935	87,740
Other expenses (income)	26,263	(27,538)
Income from discontinued operations	**$ 230,624,463**	**$ 230,531,490**

The following table presents summarized consolidated statements of cash flows for the discontinued operations for the six months ended June 30, 2016:

Six months ended June 30,	2016
Cash flows from operating activities of discontinued operations	$ 1,867,340
Cash flows from investing activities of discontinued operations	(5,017,459)
Cash flows from financing activities of discontinued operations	2,686,260
Effect of exchange rates on cash and cash equivalents	391,524
Decrease in cash and cash equivalents	(72,335)
Cash and cash equivalents at beginning of the period	72,335
Cash and cash equivalents at end of the period	$ -

(Expressed in United States Dollars)

4. Trade and other payables

	June 30, 2017	December 31, 2016
Trade payables	$ 89,599	$ 82,668
Accrued liabilities	229,568	748,068
Accrual for DSU (Note 5)	36,355	$ 20,267
	$ 355,522	$ 851,003

5. Deferred share units

Effective January 21, 2010, the Company established a Deferred Share Unit ("DSU") Plan for directors or officers of the Company or any affiliate thereof ("Eligible Person"). A DSU is a unit equivalent in value to one common share of the Company based on the five-day average trading price of the Company's common shares on the TSX immediately prior to the date on which the value of the DSU is determined. Upon termination, an eligible person receives a cash payment equivalent to the quoted market value of a common share on the termination date multiplied by the number of DSUs held by them. The DSU liability is based on the quoted market value of the Company's shares at the date of the statement of financial position.

The following transactions occurred during the periods noted below:

	June 30, 2017	December 31, 2016
Number of DSUs outstanding, beginning of period	39,599	52,228
Redeemed	-	(12,629)
Number of DSUs outstanding, end of period	39,599	39,599
Liability, end of period (included in trade and other payables)	$ 36,355	$ 20,267
Expense for the period	$ 14,968	$ 21,089

6. Share capital

(a) Authorized

Unlimited number of common shares, without par value.
Unlimited number of preference shares, without par value.

(Expressed in United States Dollars)

6. Share capital (continued)

(b) Issued common shares

	Number of common shares		Stated value
Balance, December 31, 2015 (i)	38,216,784	$	196,773,069
Common shares issued in private placements (ii)(iii)	11,729,332		8,630,675
Valuation of warrants (iii)	-		(2,507,222)
Valuation of broker warrants (iii)	-		(283,401)
Transaction costs incurred in private placement (iii)	-		(333,657)
Option exercise	55,054		24,575
Option exercise - option valuation	-		16,797
Balance, June 30, 2017 and December 31, 2016	**50,001,170**	**$**	**202,320,836**

(i) On September 12, 2016, the Company consolidated its common shares on the basis of one new common share for every 18.164 common shares outstanding effective September 12, 2016. The impact of the common share consolidation has been reflected retroactively in these condensed interim consolidated financial statements and accompanying notes.

(ii) In connection with the disposition of MDRM, Brio entered into a subscription agreement with the Company whereby Brio agreed to purchase 3,864,482 common shares (the “Shares”) in the capital stock of the Company at a price of CAD$0.324 per Share for aggregate gross proceeds of $1,000,000 (CAD$1,253,600) on a private placement basis (the “Brio Private Placement”). The subscription price for the Shares was based on the 20-day volume weighted average price thereof as of the close of business on April 26, 2016. The Company applied for and was granted an exemption from the Canadian Securities Exchange’s minimum price rule in this regard. The Brio Private Placement closed on May 2, 2016.

(iii) On May 9, 2016, the Company announced that it agreed to a private placement into the Company whereby Forbes & Manhattan Resources Inc. (“Forbes”) and its associated entities would subscribe to a private placement (the “Forbes Private Placement”) of units (the “Units”) for a minimum amount of ten million dollars (CAD$10,000,000) to advance its Rovina Valley Project in Romania. On May 19, 2016, the Company closed the Forbes Private Placement whereby Forbes, Sulliden Mining Capital Inc. and Black Iron Inc. subscribed for 7,864,850 Units at a subscription price of CAD$1.27 per Unit for aggregate gross proceeds of $7,630,675 (CAD$10,000,000). Each Unit consisted of one (1) common share of the Company ("Common Share") and one-half (0.5) of a common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to acquire one (1) Common Share at a price of CAD$2.18 for a period of two (2) years from the date of issuance. However, the Warrant exercise period may be accelerated if after the date that is 4 months and a day following the closing, the Common Shares trade at a price above CAD$2.72 for a period of 20 consecutive trading days. The value of the Warrants was determined to be $2,507,222 using the Black-Scholes valuation model with the following assumptions: exercise price of CAD$2.18, risk-free rate of 0.61%, expected volatility of 382%, an expected life of two years and an expected dividend yield of 0%. The Company incurred total transaction costs of $496,929 of which $333,657 was allocated to share capital with the remaining allocated to warrants. The Company issued 471,891 broker warrants to Origin Merchant Securities Inc. in connection with the Forbes Private Placement. The value of the broker warrants was determined to be $422,086 using Black-Scholes valuation model with the following assumptions: exercise price of CAD$1.27, risk-free rate of 0.61%, expected volatility of 382%, an expected life of two years and an expected dividend yield of 0%. $283,401 of the value of the broker warrants was allocated to share capital with the remaining allocated to warrants.

(Expressed in United States Dollars)

7. Expense breakdown

(a) General and administrative expenses

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Professional fees	**$ 19,266**	$ 278,626	**$ 33,807**	$ 1,413,862
Investor relations and advertising	**18,298**	-	**45,249**	5,222
Travel, business and development	**65,038**	38,311	**183,912**	71,185
Office and general	**68,996**	63,904	**152,519**	91,418
	$ 171,598	$ 380,841	**$ 415,487**	$ 1,581,687

(b) Consulting and management expenses

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Salaries, consulting and benefits	**$ 295,807**	$ 157,405	**$ 612,974**	$ 366,878
Share-based payments	**-**	4,216,815	**-**	4,217,516
Deferred share unit costs	**13,417**	37,624	**14,968**	41,128
	$ 309,224	$ 4,411,844	**$ 627,942**	$ 4,625,522

(c) Other (income)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Foreign exchange (gain)	**$ (208,098)**	$ (4,898,317)	**$ (267,099)**	$ (342,257)
Interest income	**(6,461)**	(2,192)	**(15,777)**	(2,480)
	$ (214,559)	$ (4,900,509)	**$ (282,876)**	$ (344,737)

(Expressed in United States Dollars)

8. Exploration and evaluation expenditures

Exploration and evaluation expenditures during the periods presented were as follows:

	Three months ended June 30,				Six months ended June 30,			
		2017		2016		**2017**		2016
Consulting and labour	**$**	**359,095**	$	169,506	**$**	**675,807**	$	334,238
Surface rights		**51,760**		-		**105,839**		-
Environmental studies		**65,130**		-		**121,251**		-
Stanija exploration		**8,104**		-		**19,970**		2,108
Metallurgical testing		**57**		-		**4,521**		-
Field office and administration		**87,097**		55,906		**158,953**		103,970
Travel costs		**109,178**		-		**132,384**		-
Professional fees		**-**		2,146		**-**		2,146
	$	**680,421**	$	227,558	**$**	**1,218,725**	$	442,462

The Company owns 100% of the Rovina Valley Project in Romania, which is held through its subsidiary SAMAX Romania S.R.L. The project carries a 6% (gold) and 5% (copper) net smelter return "NSR" royalty payable to the Romanian state once in production. As at June 30, 2017, the Company has only one material segment for financial reporting purposes, which is the development of its Romanian mining permit.

9. Related party transactions

Key management personnel compensation:

		Six months ended June 30, 2017		Six months ended June 30, 2016
Directors and officers compensation	**$**	**678,929**	$	393,150
Share-based payments		**-**		3,541,559
	$	**678,929**	$	3,934,709

Included in the above amounts is $134,943 (Q2 - 2016 - $22,561) paid according to a contract for business and operational consulting services with Forbes & Manhattan Inc., a company which Mr. Stan Bharti is the Executive Chairman, Mr. Matt Simpson is Chief Executive Officer and both of whom are directors of the Company. The Company paid consulting fees of $37,062 (2016: $nil) to Iron Strike Inc., a company controlled by Mr. Matt Simpson. The Company paid fees of $56,694 (Q2 – 2016 - $169,734) to Gedwal Management Inc., a company controlled by Mr. Guy Charette, a director of the Company. In addition, officers and directors had nil (Q2 – 2016 - 3,720,951) options vest with a value of $nil (Q2 – 2016 - $3,541,559).

10. Commitments and contingencies

(a) Lease Commitment

As of December 1, 2010, the Company entered into a sub-lease agreement for office space through March 31, 2018. The minimum annual rent thereunder is CAD$35,640 plus applicable expenses for the entire term. In addition, the Company entered into a lease agreement in respect of additional office space for the period June 1, 2012 to March 31, 2018. The minimum annual rent thereunder was CAD$39,618, which increased to CAD$44,020 as of October 1, 2014 plus applicable expenses. As of September 1, 2015, all of the Company's premises covered by these agreements were sub-leased by the Company to a third party through to March 31, 2018 at full recovery.

(b) Lawsuits

During the year ended December 31, 2016, the Company settled three lawsuits with former officers of the Company for an aggregate of $1,321,963 (CAD$1,775,000). As at June 30, 2017, the Company owed $218,335 (CAD$283,333) payable in installments with the final installment due on March 1, 2018. The $206,453 discounted value of the outstanding settlement amount, calculated using a discount rate of 15%, has been accrued in the condensed interim consolidated financial statements.

(c) Management Contracts

The Company is party to certain management contracts. These contracts require payment of approximately $3.6 million upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $2.6 million pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements.

(d) Environmental

The Company's exploration and evaluation activities are subject to 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 activities 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.