

# **COPPER CREEK GOLD CORP.**

**Condensed Interim Consolidated Financial Statements**

**For the Three and Six Months Ended June 30, 2017 and 2016**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

**The accompanying unaudited condensed interim consolidated financial statements have been prepared by Management of Copper Creek Gold Corp. and have not been reviewed by the Company's auditors**

**COPPER CREEK GOLD CORP.**

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	June 30, 2017 \$	December 31, 2016 \$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	388	82,519
Marketable securities (Note 3)	–	1
Accounts receivable (Note 4)	27,016	25,691
Prepaid expenses	14,249	–
<b>Total current assets</b>	<b>41,653</b>	<b>108,211</b>
Non-current assets		
Equipment (Note 5)	–	2,501
Unproved resource property interest (Note 6)	1	1
<b>Total assets</b>	<b>41,654</b>	<b>110,713</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable and accrued liabilities	171,331	228,644
Due to related parties (Note 7)	116,251	64,235
<b>Total liabilities</b>	<b>287,582</b>	<b>292,879</b>
Shareholders' deficit		
Share capital	13,434,776	13,434,776
Contributed surplus	1,193,691	1,193,691
Deficit	(14,874,395)	(14,810,633)
<b>Total shareholders' deficit</b>	<b>(245,928)</b>	<b>(182,166)</b>
<b>Total liabilities and shareholders' deficit</b>	<b>41,654</b>	<b>110,713</b>

Nature of Operations (Note 1)

Subsequent Events (Note 14)

Approved and authorized for issuance on behalf of the Board of Directors on August 23, 2017:

/s/ "Gordon Jung"

Gordon Jung, Director

/s/ "Moe Dilon"

Moe Dilon, Director

*See accompanying notes to the condensed interim consolidated financial statements*

**COPPER CREEK GOLD CORP.**

Condensed Interim Consolidated Statements of Loss, Comprehensive Loss and Deficit

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	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				
Accounting and legal	29,768	7,847	30,673	10,555
Amortization	–	211	156	423
Consulting	–	6,698	2,900	6,698
Filing and transfer agent fees	3,174	12,674	8,844	20,856
Investor relations and shareholder information	–	67	–	167
Management fees	15,000	48,000	31,000	96,000
Office and miscellaneous	327	11,130	729	21,094
Rent	6,436	19,500	13,936	39,000
Telephone	–	2,866	366	5,976
Travel, promotion and automotive	640	15,777	5,642	43,443
<b>Total expenses</b>	<b>55,345</b>	<b>124,770</b>	<b>94,246</b>	<b>244,212</b>
<b>Loss before other income (expense)</b>	<b>(55,345)</b>	<b>(124,770)</b>	<b>(94,246)</b>	<b>(244,212)</b>
Other income (expense)				
Due diligence costs (Note 14(b))	(13,461)	–	(13,461)	–
(Loss) gain on foreign currency translation	(8)	–	79	–
Gain on write-off of accounts payable	46,201	30,000	46,201	30,000
Impairment of marketable securities	–	–	(1)	–
Interest income	2	9	11	18
Write-off of equipment	–	–	(2,345)	–
<b>Total other income (expense)</b>	<b>32,734</b>	<b>30,009</b>	<b>30,484</b>	<b>30,018</b>
<b>Net loss and comprehensive loss for the period</b>	<b>(22,611)</b>	<b>(94,761)</b>	<b>(63,762)</b>	<b>(214,194)</b>
<b>Loss per share, basic and diluted</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.01)</b>
<b>Weighted average shares outstanding</b>	<b>33,477,704</b>	<b>27,904,565</b>	<b>33,477,704</b>	<b>27,266,378</b>

*See accompanying notes to the condensed interim consolidated financial statements*

**COPPER CREEK GOLD CORP.**

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Share capital		Contributed surplus \$	Shares subscribed \$	Deficit \$	Total shareholders' deficit \$
	Number of shares	Amount \$				
Balance, December 31, 2015	23,755,038	12,855,160	1,193,691	68,295	(14,303,877)	(186,731)
Private placement	6,185,666	371,140	–	(22,500)	–	348,640
Net loss for the period	–	–	–	–	(214,194)	(214,194)
Balance, June 30, 2016	29,940,704	13,226,300	1,193,691	45,795	(14,518,071)	(52,285)
Balance, December 31, 2016	33,477,704	13,434,776	1,193,691	–	(14,810,633)	(182,166)
Net loss for the period	–	–	–	–	(63,762)	(63,762)
Balance, June 30, 2017	33,477,704	13,434,776	1,193,691	–	(14,874,395)	(245,928)

*See accompanying notes to the condensed interim consolidated financial statements*

**COPPER CREEK GOLD CORP.**

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Six months ended June 30, 2017 \$	Six months ended June 30, 2016 \$
Operating activities		
Net loss for the period	(63,762)	(214,194)
Items not involving cash:		
Amortization	156	423
Gain on write-off of accounts payable	(46,201)	(30,000)
Impairment of marketable securities	1	–
Write-off of equipment	2,345	–
Changes in non-cash operating working capital:		
Accounts receivable	(2,833)	(5,756)
Prepaid expenses	(14,249)	–
Accounts payable and accrued liabilities	(9,604)	(5,820)
Due to related parties	52,016	(21,835)
Net cash used in operating activities	(82,131)	(277,182)
Financing activities		
Proceeds from private placement	–	348,640
Net cash provided by financing activities	–	348,640
Change in cash	(82,131)	71,458
Cash, beginning of period	82,519	82,065
Cash, end of period	388	153,523
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

*See accompanying notes to the condensed interim consolidated financial statements*

# COPPER CREEK GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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## 1. Nature of Operations

The Company was incorporated under the *Company Act (British Columbia)* on June 19, 1987 and continued to the jurisdiction of the *Canada Business Corporation Act* on August 13, 1997. On July 26, 2010 the Company changed its name to Copper Creek Gold Corp. and trades under the symbol CPV on the TSX Venture Exchange. The Company is engaged in acquisition and exploration of resource property interests. The address of the Company's corporate office and principal place of business is Suite 710, 750 West Pender Street, Vancouver B.C., V6C 1G8.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Realization values may be substantially different from carrying values as shown and 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. At June 30, 2017, the Company has incurred significant losses totaling \$14,874,395 since inception, and has a working capital deficiency of \$245,929, which may not be sufficient to sustain operations over the foreseeable future and expects to incur further losses in the development of its business, all of which casts doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, would be sought to finance the operations of the Company.

## 2. Significant Accounting Policies

### a) Statement of Compliance and Basis of Presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These condensed interim consolidated financial statements include the accounts of the Company and its 98%-owned subsidiary, Minera Arroyo Cobra, a Mexican corporation. As at June 30, 2017, the Mexican subsidiary was inactive. All inter-company balances and transactions have been eliminated on consolidation.

These condensed interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

### b) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2017, and have not been applied in preparing these condensed interim financial statements.

New standard IFRS 9, "*Financial Instruments*"

New standard IFRS 15, "*Revenue from Contracts with Customers*"

New standard IFRS 16, "*Leases*"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## COPPER CREEK GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

### 3. Marketable Securities

The Company's marketable securities, which are classified as fair value through income or loss have been valued at their market prices.

June 30, 2017		December 31, 2016	
Cost	Market	Cost	Market
\$	\$	\$	\$
296,457	–	296,457	1

### 4. Accounts Receivable

The Company qualifies for the Goods and Sales Tax (GST) input tax credits in the amount of \$27,016 (December 31, 2016 - \$24,183), which may change pursuant to an audit by the taxation authorities.

### 5. Equipment

	Office Furniture and Equipment \$	Computer Equipment \$	Total \$
Cost:			
Balance at December 31, 2016	39,208	54,240	93,448
Write-off of equipment	(39,208)	(54,240)	(93,448)
Balance at June 30, 2017	–	–	–
Depreciation and impairment losses:			
Balance at December 31, 2016	37,943	53,004	90,947
Depreciation for the period	63	93	156
Write-off of equipment	(38,006)	(53,097)	(91,103)
Balance at June 30, 2017	–	–	–
Carrying amounts:			
Balance at December 31, 2016	1,265	1,236	2,501
Balance at June 30, 2017	–	–	–

During the six months ended June 30, 2017, the Company determined that its office furniture and equipment, and computer equipment, were obsolete and recognized a write-off of equipment of the remaining carrying value of \$2,345.

## COPPER CREEK GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

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### 6. Unproven Resource Property Interests

	Blackwater Properties \$	Bakken Oil and Gas Leases \$	Total \$
Balance, December 30, 2015	180,197	10	180,207
Impairment	(180,197)	(9)	(180,206)
Balance, December 31, 2016 and June 30, 2017	–	1	1

#### Bakken Oil & Gas Leases in Canada and Certain Working Interest in the USA

On July 20, 2009 the Company acquired a 1% Gross Overriding Royalty to approximately 1100 acres (445 hectares consisting of 8 leases) in the Province of Saskatchewan, Canada and a 17.5% working interest in two producing gas wells: Bennet 1 and Bennet 2, located in Lavaca County, State of Texas, USA.; for \$10 and other considerations payable to the vendor, Lions Petroleum Inc. The property was written down to a nominal value \$1 on December 31, 2016.

### 7. Related Party Transactions

During the six months ended June 30, 2017, and 2016, the Company incurred the following expenses charged by an officer or a former director and/or a company controlled by an officer or a former director:

	2017 \$	2016 \$
Accounting and legal	10,000	–
Management fees	31,000	96,000
Office rent	–	39,000
Office and miscellaneous	–	15,000
Telephone charges	–	2,070
	41,000	152,070

As at June 30, 2017, the Company owed directors and officers of the Company \$116,251 (December 31, 2016 - \$64,235); these amounts represented management fees payable to and loan amounts due to directors and officers of the Company.

#### Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation disclosed above comprised the follow:

	2017 \$	2016 \$
Key management personnel:		
Chief Executive Officer	31,000	48,000
Chief Financial Officer	10,000	–
Director	–	48,000
	41,000	96,000



## COPPER CREEK GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

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### 8. Share Capital

Authorized: Unlimited number of common shares without par value.

There were no share transactions during the six months ended June 30, 2017.

#### *Stock Options*

The Company's incentive stock option plan allows for the grant of options to employees, consultants, officers and directors providing the number of shares that may be purchased under the option plan and all previously granted options, does not exceed 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares (subject to a minimum of \$0.05) and the maximum term of the options is ten years.

	Number of Options	Weighted Average Exercise Price \$
Balance, December 31, 2015	174,500	1.00
Expired/Cancelled	(174,500)	1.00
Balance, December 31, 2016, and June 30, 2017	–	–

#### *Share Purchase Warrants*

	Number of Warrants	Weighted Average Exercise Price \$
Balance, December 31, 2016	14,945,998	0.10
Expired	(5,223,332)	0.10
Balance, June 30, 2017	9,722,666	0.10

At June 30, 2017, the following share purchase warrants were outstanding:

Expiry Date	Number	Exercise Price \$
August 15, 2017*	2,525,000	0.10
November 2, 2017	1,416,666	0.10
December 3, 2017	2,244,000	0.10
April 27, 2018	3,537,000	0.10
	9,722,666	

\* Expired subsequently

## COPPER CREEK GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

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(Unaudited – Prepared by Management)

### 9. Commitments

Effective July 1, 2016 the Company moved to new premises. Under the three year rental agreement ending in June 30, 2019, the future basic monthly rental rate is as follows:

- \$1,428 plus operating costs per month from July 1, 2017 to June 30, 2018; and
- \$1,507 plus operating costs per month from July 1, 2018 to June 30, 2019.

### 10. Contingency

Pursuant to a Receivership Order granted to the Alberta Energy Regulator (AER), a receiver has been appointed over all the properties of Lexin Resources Ltd. (Lexin) for failure to comply with a litany of orders to properly care for its wells and facilities. The Company which has a minority working interest has been named in the environmental protection order. The Company wrote off its working interest in the oil and gas property in 2009.

Management is unable to assess the Company's potential liability, if any, resulting from this action. No provision for possible loss has been included in these financial statements.

### 11. Segmented Information

The Company operates in a single industry segment. Assets by geographic location are as follows:

	June 30, 2017 \$	December 31, 2016 \$
Canada	41,653	110,712
United States of America	1	1
	41,654	110,713

### 12. Fair Value Measurement

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 - quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data.

At June 30, 2017, the levels in the fair value hierarchy into which the Company's financial assets and liabilities measured and recognized in the statement of financial position at fair value are categorized are as follows:

	Level 1 \$	Level 2 \$
Cash	388	-

## **COPPER CREEK GOLD CORP.**

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian Dollars)

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### **13. Capital Disclosures**

The Company's objectives when managing capital are to raise the necessary equity financing to fund its exploration projects and to manage the equity funds raised which best optimizes its exploration programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may raise additional equity funds and acquire new exploration properties as circumstances dictate.

There were no changes in the Company's approach to capital management during the six months ended June 30, 2017. The Company is not subject to externally imposed capital requirements.

### **14. Subsequent Events**

- a) On May 12, 2017, the Company announced a non-brokered private placement consisting of up to 3,000,000 units at \$0.05 per unit to raise gross proceeds of up to \$150,000. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant will entitle the holder to purchase one additional common share at \$0.10 per share for a period of 18 months from the closing date. The private placement is subject to approval of the TSX Venture Exchange.
- b) On May 31, 2017, the Company entered into a non-binding letter of intent (the "LOI") with Minera Bonanza Peru S.A. ("Minera Bonanza") pursuant to which the Company would acquire, pursuant to a share purchase agreement (the "Transaction"), a minimum of 19,300,000 shares of the issued shares of Minera Bonanza which represents approximately 96.5% of the issued and outstanding shares of Minera Bonanza. The Company would issue common shares of the Company to the shareholders of Minera Bonanza on the basis of one common share for each share of Minera Bonanza received. The LOI provides that the Company would be responsible for covering certain legal and accounting fees up to \$50,000 on behalf of Minera Bonanza with respect to any requirements of the TSX Venture Exchange (the "Exchange") relating to the Transaction or as may be required pursuant to applicable securities laws. The LOI also provides that the Company is to fund Minera Bonanza for up to USD\$2,000,000 (the "Financing") within 18 months of closing the Transaction (the "Financing Deadline"). If the Company is unable to complete the Financing by the Financing Deadline, each shareholder of Minera Bonanza would receive, as additional consideration, one share purchase warrant of the Company for each share previously held by the Minera Bonanza shareholder (the "Penalty Warrants"). The Penalty Warrants would be exercisable at the market price for a period of two years from the date of issue. The Company has paid, upon signing of the LOI, \$13,461 (US\$10,000) to Minera Bonanza to secure a 90 day exclusivity period during which Minera Bonanza has agreed that it will not accept, solicit, initiate or encourage proposals or offers from any party that is competitive in any way to the substance of the Transaction. On August 14, 2017, the Company terminated the LOI, but will continue to review and evaluate the assets of Minera Bonanza, and negotiate terms of a potential transaction. Minera Bonanza agreed to an extension of exclusivity with the Company to September 30, 2017.
- c) Subsequent to June 30, 2017, a total of 2,525,000 warrants exercisable at \$0.10 per share expired unexercised.