

SG SPIRIT GOLD INC.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited consolidated interim financial statements of SG Spirit Gold Inc. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

SG SPIRIT GOLD INC.

Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	March 31 2017	December 31 2016
ASSETS		
Current assets		
Cash	\$ 168,780	\$ 93,177
Amounts receivable	2,126	936
Total assets	\$ 170,906	\$ 94,113
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 72,114	\$ 106,668
Total liabilities	72,114	106,668
SHAREHOLDERS' DEFICIENCY		
Share capital (note 4)	5,504,592	5,358,192
Reserves (note 4)	2,070,121	2,070,121
Deficit	(7,475,921)	(7,440,868)
Total deficiency	98,792	(12,555)
Total liabilities and deficiency	\$ 170,906	\$ 94,113

Nature of operations and going concern (note 1)

Events after the reporting period (note 9)

Approved on behalf of the Board

Director "Richard W. Grayston"
Richard W. Grayston

Director "Mark Ferguson"
Mark Ferguson

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

SG SPIRIT GOLD INC.

Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended	
	March 31	
	2017	2016
EXPENSES		
Consulting fees	\$ 7,500	\$ 1,000
Filing fees	8,700	5,520
Interest	-	1,225
Management fees (note 5)	(1,500)	4,000
Office	854	1,387
Professional fees	17,914	33,396
Share based compensation	-	70,537
Transfer agent fees	1,585	-
Travel	-	21,567
Net and comprehensive loss for the period	\$ 35,053	\$ 138,632
Basic and diluted loss per share	\$ 0.00	\$ 0.02
Weighted average number of common shares outstanding	14,319,902	7,808,124

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

SG SPIRIT GOLD INC.Consolidated Interim Statements of Cash Flow
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended	
	March 31	
	2017	2016
Cash provided by (used in):		
Operating activities		
Net loss	\$ (35,053)	\$ (138,632)
Items not affecting cash:		
Depreciation	-	90
Share based compensation	-	70,537
Change in non-cash working capital:		
Amounts receivable	(1,190)	(2,139)
Accounts payable and accrued liabilities	(34,554)	(430,032)
Net cash flows used in operating activities	(70,797)	(500,176)
Financing activities		
Proceeds from private placement, gross	-	601,839
Share purchase warrants exercised	110,000	-
Stock options exercised	36,400	-
Loan and interest repayments	-	(38,037)
Loan advances	-	2,500
	146,400	566,302
Change in cash during the period	75,603	66,126
Cash (bank indebtedness), beginning of the period	93,177	(431)
Cash, end of the period	\$ 168,780	\$ 65,695

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SG SPIRIT GOLD INC.

Consolidated Interim Statements of Changes in Deficiency
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total Shareholders' Deficiency
Balance at January 1, 2016	951,457	\$ 4,689,253	\$ 2,027,276	\$ (7,229,530)	\$ (513,001)
Shares issued in private placement (note 4)	12,100,000	605,000	-	-	605,000
Shares issue costs	-	(3,161)	-	-	(3,161)
Share based compensation	-	-	70,537	-	70,537
Net loss for the period	-	-	-	(138,632)	(138,632)
Balance at March 31, 2016	13,051,457	5,291,092	2,097,813	(7,368,162)	20,743
Balance at January 1, 2017	13,851,457	5,358,192	2,070,121	(7,440,868)	(12,555)
Warrants exercised (note 4)	1,100,000	110,000	-	-	110,000
Options exercised (note 4)	260,000	36,400	-	-	36,400
Net loss for the period	-	-	-	(35,053)	(35,053)
Balance at March 31, 2017	15,211,457	\$ 5,504,592	\$ 2,070,121	\$ (7,475,921)	\$ 98,792

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

SG SPIRIT GOLD INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

SG Spirit Gold Inc. (the “Company”) is an exploration stage company whose common shares trade on the TSX Venture Exchange and is in the business of identification, acquisition and exploration of mineral interests. All of the Company’s exploration and evaluation assets are located in Canada. The address of the Company’s registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

These financial statements were authorized for issue on May 29, 2017 by the directors of the Company.

At the date of the consolidated interim financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

These consolidated interim financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has incurred operating losses and at March 31, 2017 has a cumulative deficit of \$7,475,921 (December 31, 2016 - \$7,440,868). The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Further discussion of liquidity risk is included in note 7.

SG SPIRIT GOLD INC.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016
(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of consolidated interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS.

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

Basis of consolidation

These consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, 0970990 B.C. Ltd. and SG Spirit Subco LLC, both wholly owned subsidiaries in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial operating policies of an enterprise so as to obtain benefits from its activities.

All intercompany balances and transactions have been eliminated on consolidation.

Details of the Company’s subsidiaries are as follows:

Name	Place of incorporation	Interest %	Principal activity
0970990 B.C. Ltd.	British Columbia, Canada	100%	Inactive subsidiary
SG Spirit Subco LLC	Delaware, USA	100%	Subsidiary

SG SPIRIT GOLD INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated interim financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

b) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

SG SPIRIT GOLD INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

c) Recent accounting pronouncements

New accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

4. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares without par value

Issued

On February 9, 2016, the Company completed a non-brokered private placement of 12,100,000 units at a price of \$0.05 per unit for gross proceeds of \$605,000. Each unit consists of one common share of the Company and one share purchase warrant entitling the holder to acquire an additional share at a price of \$0.10 per share for a period of 5 years. The Company paid \$16,061 in share issue costs related to this private placement.

During 2016, 800,000 warrants were exercised resulting in the issuance of 800,000 common shares at \$0.10 per share.

During the three months ended March 31, 2017, 1,100,000 warrants were exercised resulting in the issuance of 1,100,000 common shares at \$0.10 per share.

During the three months ended March 31, 2017, 260,000 stock options were exercised resulting in the issuance of 260,000 common shares at \$0.14 per share.

There were no common shares issued during the year ended December 31, 2015.

SG SPIRIT GOLD INC.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016
(Unaudited - Expressed in Canadian Dollars)

4. SHARE CAPITAL AND RESERVES *(continued)*

Warrants

Details of common share purchase warrants outstanding at March 31, 2017 are as follows:

	March 31, 2017	December 31, 2016		
	Outstanding Warrants	Outstanding Warrants	Exercise price	Expiry date
Share purchase warrants				
Issued	10,200,000	11,300,000	\$ 0.10	February 9, 2021

Common share purchase warrant transactions during the three month periods ended March 31, 2017 and 2016 are as follows:

	For the three months ended					
	March 31					
	2017			2016		
	Number of Warrants	Weighted average exercise price	Fair Value	Number of Warrants	Weighted average exercise price	Fair Value
Outstanding - beginning of period	11,300,000	\$ 0.10	\$ -	-	\$ -	\$ -
Issued	-	-	-	-	-	-
Exercised	(1,100,000)	0.10	-	-	-	-
Outstanding - end of period	10,200,000	\$ 0.10	\$ -	-	\$ -	\$ -

The weighted average remaining contractual life of the issued and outstanding warrants at March 31, 2017 was 3.84 years.

Share-based Payments

The Company has a Rolling Stock Option Plan (the "Plan"), which follows the policies of the TSX Venture Exchange regarding stock option awards granted to employees, directors and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan. Options granted under the Plan have a maximum term of 5 years. The vesting terms are at the discretion of the Board of Directors.

SG SPIRIT GOLD INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

4. SHARE CAPITAL AND RESERVES *(continued)*

On February 9, 2016, the Company granted 1,300,000 incentive stock options to directors and officers. The incentive stock options have an exercise price of \$0.08 per share, expire one year from the date of grant and vest immediately. The estimated fair value, \$0.03 per share, was calculated for the options using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.41%, expected life of 5 years, no annual dividend, expected volatility of 177% and a forfeiture rate of Nil. These options were cancelled on September 30, 2016 and the share based compensation recorded in the period ended March 31, 2016 of \$70,537 was extinguished.

On November 30, 2016, the Company approved the issuance of 520,000 options to consultants at an exercise price of \$0.14. These options were granted for a period of five years and vest immediately. The estimated fair value, \$0.12 per share, was calculated for the options using the Black-Scholes model based on the following assumptions: risk-free interest rate of 1.00%, expected life of 5 years, no annual dividend, expected volatility of 150% and a forfeiture rate of 30%.

During the year ended December 31, 2016, the Company recognized \$42,845 (2015 - \$Nil) in share based compensation relating to this grant.

As at March 31, 2017, the Company had stock options issued to a consultant of the Company outstanding as follows:

Date of grant	Number of options issued	Options exercised	Exercisable	Exercise price	Expiry date	Weighted average remaining contractual life
November 30, 2016	520,000	(260,000)	260,000	\$ 0.14	November 30, 2021	4.67 years

5. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2017, the Company incurred \$7,500 (2016 - \$4,000) in management fees to directors, former directors or companies controlled by directors or former directors. At March 31, 2017, the Company owed directors, former directors or companies controlled by former directors \$27,650 (2016 - \$10,500) in respect of these fees, which is included in accounts payable and accrued liabilities.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the three month periods ended March 31, 2017 and 2016 other than as indicated above.

SG SPIRIT GOLD INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

6. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements. There was no change to the Company's approach to capital management during the period.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2017, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying values of cash and accounts payable approximate their fair values due to the immediate or short term maturity of these instruments.

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

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable are classified under Level 3.

The Company's financial instruments are exposed to the following risks:

SG SPIRIT GOLD INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts.

Liquidity Risk

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

The Company manages liquidity risk through its capital management as outlined in Note 6 to the consolidated interim financial statements.

Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Price Risk

The Company is not exposed to price risk.

Currency Risk

As at March 31, 2017, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

SG SPIRIT GOLD INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the periods ended March 31, 2017 and 2016

(Unaudited - Expressed in Canadian Dollars)

8. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the identification, acquisition and exploration of mineral interests in Canada.

9. EVENTS AFTER THE REPORTING PERIOD

- (a) On February 10, 2017, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Northern Lights Marijuana Company Limited ("DOJA"), pursuant to which the Company proposes to acquire all of the issued and outstanding securities of DOJA.

In accordance with the terms of the Definitive Agreement DOJA will amalgamate with a wholly-owned subsidiary of the Company, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. In consideration for the completion of this transaction the current holders of DOJA class "A" voting common shares will be issued one-and-eight-tenths (1.8) common shares of the Company in exchange for every share of DOJA they hold. Existing convertible securities of DOJA will be exchanged for convertible securities of the Company, on substantially the same terms, and applying the same exchange ratio.

On April 28, 2017 the Company and DOJA agreed to amend the terms of the Definitive Agreement. Completion of the acquisition of DOJA is now subject to, among other things, the Company completing a consolidation of its issued and outstanding share capital on a three-for-one basis, DOJA completing a financing for gross proceeds of at least \$3,000,000 on or before May 31, 2017, receipt of any required shareholder, regulatory and third party consents, the Canadian Securities Exchange having conditionally accepted the listing of the Company's common shares, the TSX Venture Exchange having consented to the voluntary delisting of the Company's common shares and the satisfaction of other customary closing conditions.

After the amalgamation process is complete, the Company will change its name to DOJA Cannabis Company Limited. The acquisition is expected to close in June, 2017.

- (b) On March 29, 2017, the Company appointed a syndicate of agents to sell by way of private placement up to 13,333,333 subscription receipts of the Company at a price of \$0.75 per subscription receipt for aggregate gross proceeds of up to \$10,000,000. Concurrently with the closing of the transaction contemplated in the Definitive Agreement, each subscription receipt will be automatically exchanged into "Units" of the Company. Each Unit shall consist of one (1) common share of the Company and one-half of one common share purchase warrant. Each whole warrant shall entitle the holder to acquire one (1) additional common share of the Company at an exercise price of \$1.25 for a period of 24 months from the date of issuance.