JET GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED MAY 31, 2016

(Expressed in Canadian Dollars)

NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The condensed interim financial statements of the Company for the second quarter ended February 29, 2016 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity’s auditor.

JET GOLD CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	**May 31, 2016**	August 31, 2015
		$	$
ASSETS			
Current			
Cash		**26,919**	60,197
GST receivable		**3,612**	12,389
Prepaid expense		**12,000**	-
		42,531	72,586
Exploration and evaluation	3	**118,355**	-
Total Assets		**160,886**	72,586
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current			
Accounts payable and accrued liabilities	5	**79,905**	224,465
Loan payable	6	**30,000**	-
		109,905	-
Shareholders' Deficiency			
Share capital	4	**9,465,590**	9,108,590
Share subscriptions received in advance	4	**-**	79,250
Reserves	4	**1,156,077**	1,156,077
Deficit		**(10,570,686)**	(10,495,796)
		50,981	(151,879)
Total Liabilities and Deficiency		**160,886**	72,586

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Approved on Behalf of the Board of Directors:

/s/ Tim Fernback	/s/ Ryan Cheung
Director	Director

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

JET GOLD CORP.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE PERIOD ENDED MAY 31, 2016
(Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	May 31, 2016	May 31, 2015	**May 31, 2016**	May 31, 2015
		$	**$**	$
EXPENSES				
Consulting fees (Note 6)	**17,500**	34,500	**53,500**	86,500
Interest expense	**98**	-	**98**	-
Legal, audit and accounting (Note 6)	**750**	7,500	**(3,542)**	34,447
Office and miscellaneous	**550**	217	**905**	1,378
Property investigation	**-**	-	**2,000**	-
Regulatory and transfer agent fees	**16,609**	2,682	**21,929**	19,990
Rent (Note 6)	**-**	7,950	**-**	23,850
Write-off of equipment	**-**	-	**-**	733
Income (loss) and comprehensive income (loss) for the period	**(35,507)**	(52,849)	**(74,890)**	(166,898)
Income (loss) per common share				
-Basic and diluted	**(0.00)**	(0.01)	**(0.00)**	(0.03)
Weighted average number of common shares outstanding				
Basic and diluted	**13,369,728**	6,094,728	**11,934,701**	6,094,728

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

JET GOLD CORP.
STATEMENTS OF CHANGES IN DEFICIENCY
(Expressed in Canadian Dollars)

	Number of shares	Amount $	Share-based payments $	Warrants $	Subscriptions Received in Advance $	Deficit $	Total Deficiency $
Balance, August 31, 2014	**6,094,728**	**9,108,590**	**1,008,447**	**147,630**	**-**	**(10,305,044)**	**(40,377)**
Loss and comprehensive loss	-	-	-	-	-	(166,898)	(166,898)
Balance, May 31, 2015	**6,094,728**	**9,108,590**	**1,008,447**	**147,630**	**-**	**(10,471,942)**	**(207,725)**
Balance, August 31, 2015	**6,094,728**	**9,108,590**	**1,008,447**	**147,630**	**79,250**	**(10,495,796)**	**(151,879)**
Proceeds from private placement	5,275,000	263,000	-	-	(79,250)	-	183,750
Proceeds intended for private placement	-	14,000	-	-	-	-	14,000
Mineral property payment	2,000,000	80,000	-	-	-	-	80,000
Income (loss) and comprehensive income (loss) for the period	-	-	-	-	-	(74,890)	(74,890)
Balance, May 31, 2016	**13,369,728**	**9,451,590**	**1,008,447**	**147,630**	**-**	**(10,570,686)**	**50,981**

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

JET GOLD CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Nine Months Ended	
	May 31, 2016	May 31, 2015
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	**(74,890)**	(166,898)
Items not affecting cash:		
Write-off of fixed asset	**-**	733
Changes in non-cash working capital items:		
GST receivable	**8,778**	12,287
Prepaid expense	**(12,000)**	-
Accounts payable and accrued liabilities	**(144,561)**	98,213
Net cash used in operating activities	**(222,673)**	(55,665)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration expenditures	**(38,355)**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of common shares	**183,750**	-
Proceeds intended for private placement	**14,000**	-
Loans payable	**30,000**	-
Change in cash during the period	**(33,278)**	(55,665)
Cash, beginning of period	**60,197**	64,435
Cash, end of period	**26,919**	8,770
Cash paid during the period for:		
Income taxes	**$ --**	$ --
Interest	**$ --**	$ --

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Jet Gold Corp. (the "Company") is an exploration stage company incorporated on April 24, 1987 under the laws of British Columbia. The Company's head office is located at #162 - 2906 West Broadway, Vancouver, BC, V6K 2G8 and is listed on the TSX Venture Exchange ("TSX-V") under the symbol "JAU". The Company is in the business of exploring and developing exploration and evaluation assets.

While the Company's financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events may cast significant doubt on the validity of this assumption. The Company incurred net loss of $74,890 for the period ended May 31, 2016 (2015 - $166,898). As at May 31, 2016, the Company had an accumulated deficit $10,570,686 (August 31, 2015 - $10,495,796) and working capital deficit of $75,974 (August 31, 2015 – $151,879).

These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These condensed interim financial statements 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 condensed interim financial statements, including International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and have been prepared following the same accounting policies and method of computation as the annual financial statements for the year ended August 31, 2015. The disclosures provided below are incremental to those included with the annual financial statements. Certain information and disclosures normally included in the notes to the annual financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended August 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB. These financial statements were approved by the Board of Directors on July 27, 2016.

(b) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Recent accounting pronouncements

In May 2011, the IASB issued the following standards, effective for annual periods beginning on or after January 1, 2013. The Company has adopted the new and amended standards and does not expect the adoption of any of the new requirements to have a significant impact on its financial statements.

International Financial Reporting Standard 10, Consolidation ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 replaces SIC-12, Consolidation – Special Purpose Entities, and parts of IAS 27, Consolidated and Separate Financial Statements.

International Financial Reporting Standard 11, Joint Arrangements ("IFRS 11")

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. IFRS 11 supersedes IAS 31, Interests in Controlled Entities – Non-monetary Contributions by Venturers.

International Financial Reporting Standard 12, Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

International Financial Reporting Standard 13, Fair Value Measurement ("IFRS 13")

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement.

International Accounting Standard 12, Income Taxes ("IAS 12")

The IASB issued amendments for the recovery of underlying assets.

International Accounting Standard 27, Separate Financial Statements ("IAS 27")

IAS 27, Consolidated and Separate Financial Statements, contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9.

(o) Recent accounting pronouncements (continued)

International Accounting Standard 28, Investments in Associates and Joint Ventures ("IAS 28")

As a consequence of the issuance of IFRS 10, IFRS 11, and IFRS 12, IAS 28 has been amended and will further provide accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Company when there is joint control or significant influence over an investee.

IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

(p) New standards, amendments and interpretations not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after September 1, 2014. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

IAS 1 (Amendment): This standard is amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.

IFRS 7 (Amendment): This standard is amended to enhance disclosure requirements related to offsetting of financial assets and financial liabilities.

IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.

IFRS 9: New standard that replaced IAS 39 for classification and measurement.

IFRS 14: New standard to specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. IFRS 14 is effective beginning on or after January 1, 2016.

IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. IFRS 15 is effective beginning on or after January 1, 2017.

3. MINERAL PROPERTY PROJECTS

On August 4, 2015, the Company entered into an earn-in agreement with Kin Resources (“Kin”) pursuant to which the Company may acquire 100% of Kin’s option to acquire 50% undivided interest in the Lorn mineral claims located in British Columbia. Kin acquired the option pursuant to an earn-in agreement between Kin and Royal Sapphire Corp. In consideration of the option, the Company will issue 2,000,000 common shares to Kin (issued – See Note 8). The property is subject to a 3% Net Smelter Royalty.

The Company may exercise the Option by: (i) completing an exploration program on the Property of up to $30,000 on or before December 31, 2015; (ii) preparing an updated NI 43-101 report on the Property on or before March 31, 2016 (amended from December 31, 2015 on December 15, 2015); (iii) completing additional exploration expenditures of $1,180,000, paying an aggregate $65,000 and issuing a total of 23,500 common shares to John A. Chapman and KGE Management Ltd. (together, the “Optionors”), in stages until December 31, 2017, (iv) paying 50% of all advance royalty payments, maintenance fees and taxes payable under the Underlying Agreement; (v) issuing 30,000 shares to the Optioners upon completion of a feasibility study; and (vi) maintaining the Underlying Agreement in good standing. On September 25, 2015, the earn-in agreement was accepted by the TSX Venture Exchange.

On March 21, 2016, the Company entered into an agreement to acquire 30% of Haib Minerals (PTY) Ltd. (“Haib Minerals”) in exchange for 45 million common shares of the Company to be issued to the shareholders of 1054137 BC Ltd (“BC”). BC holds 100% of the share capital of Deep-South Mining Company (Pty) Ltd (“Deep-South”),which holds 30% of Haib Minerals. The remaining 70% of Haib Minerals is held by Teck Namibia (Pty) Ltd (“Teck Namibia”), a wholly owned subsidiary of Teck Resources Limited (“Teck”). Haib Minerals holds the

Exclusive Prospecting Licence 3140 (“EPL 3140”), which hosts the Haib copper project (“Haib”) situated in the south of Namibia.

In addition to the 45 Million shares, the Company will assume the loan between Deep-South and Teck Namibia totaling approximately $873,000. The exact loan amount will be established at final closing when the interest due for 2016 will have been calculated. The loan was contracted to cover past exploration expenditures. The Company has signed an agreement with Teck Namibia whereby it will repay $500,000 of the loan by the issuance of 8,333,333 of its common shares and repay the remaining debt under the loan agreement by the issuance of a convertible debenture (“debenture”) to Teck Namibia. The debenture will bear interest on the outstanding principal amount at a rate of LIBOR plus 2% per annum payable with the principal at maturity. The debenture will have a maturity of 48 months and is payable in cash however may be convertible into Jet Gold shares at the option of Teck Namibia at any time prior to maturity at a price of $0.07 per Company’s share. In connection with this transaction the Company will also proceed with a non-brokered private placement of up to 5,700,000 units (the “**Units**”) at $0.07 per Unit for gross proceeds of up to $400,000 (Note 4).

4. SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

Period ended February 29, 2016

On August 7, 2015, the Company announced it will proceed with a non-brokered private placement of up to 6,000,000 Units at $0.05 per Unit for gross proceeds of up to $300,000. Each Unit comprises one share and one-half share purchase warrant entitling the holder to exercise each whole warrant at a price $0.075 per share for a period of three years from the closing of the offering. As at February 29, 2016, the Company closed $263,000 net of $750 financing costs in subscription funds.

As part of the Haib minerals acquisition, the Company will also proceed with a non-brokered private placement of up to 5,700,000 units at $0.07 per Unit for gross proceeds of up to $400,000. Each Unit will consist of one common share and one-half common share purchase warrant of the Company. Each full warrant will entitle the holder thereof, during a period of 24 months from the date of closing of the private placement, to purchase one (1) Company’s common share at an exercise price of $0.17 per common share. Each security issued pursuant to the placement will have a mandatory four (4) months holding period from the closing date of the placement.

(Expressed in Canadian Dollars)

(c) Stock options

The Company has a rolling stock option plan whereby a maximum of 10% of the issued common shares will be reserved for issuance under the plan. The following table summarizes the Company's stock option activity for the following periods:

	Number of Options	**Weighted Average Exercise Price**
	$	$
Options outstanding and exercisable, August 31, 2014	54,100	4.47
Expired	(2,433)	9.00
Options outstanding and exercisable, August 31, 2015	51,667	4.26
Expired	(21,667)	-
Options outstanding and exercisable, May 31, 2016	**30,000**	**1.30**

As at May 31, 2016, the Company had options outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
	$	$	
September 19, 2017	3.00	30,000	1.56

(d) Warrants

The following table summarizes the Company's warrant activity:

	Number of Warrants	Weighted Average Exercise Price
	$	$
Balance, August 31, 2014	**2,631,012**	**0.51**
Expired	(24,333)	4.50
Balance, August 31, 2015	**2,606,679**	**0.47**
Expired	(2,606,679)	-
Granted	2,637,500	0.075
Balance, May 31, 2016	**2,637,500**	**0.075**

(Expressed in Canadian Dollars)

As at May 31, 2016, the Company has warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding
	$	
October 2, 2018	0.075	1,743,750
October 20, 2018	0.075	743,750
November 23, 2018	0.075	150,000
		2,637,500

5. RELATED PARTY TRANSACTIONS

The value of transactions and outstanding balances relating to key officers and directors and entities over which they have control or significant influence were as follows:

The Company incurred $16,000 (May 31, 2015 - $18,000) of consulting fees from a company controlled by Chief Executive Officer. As at May 31, 2016, $10,715 (August 31, 2015 - $12,000) of consulting fees remains unpaid and is included in accounts payable.

The Company incurred $14,250 (February 28, 2015 - $13,500) of consulting fees from companies controlled by Chief Financial Officer. As at May 31, 2016, $12,324 (August 31, 2015 - $8,000) of consulting fees remains unpaid and is included in accounts payable.

6. LOAN PAYABLE

On April 20, 2016, the Company received an unsecured four month loan of $30,000. The loan charges an annual 12% interest rate.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair values of amounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is primarily associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. As of May 31, 2016, the Company had a cash balance of $26,919 (August 31, 2015 - $60,197) to settle current liabilities of $109,905

(August 31, 2015 - $224,465). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and other price risk. The Company is not exposed to significant market risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

8. CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' deficiency.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There was no change to the Company's capital management approach during the period ended May 31 29, 2016.