



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2017



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Continental Gold Inc.

Consolidated Statements of Financial Position (unaudited)

As at (in thousands of U.S. Dollars)	Notes	September 30, 2017 \$	December 31, 2016 \$
Assets			
Current assets			
Cash and cash equivalents		127,340	19,214
Marketable securities	6	2,119	2,414
Receivables and prepaid expenses	7	3,353	3,876
		132,812	25,504
Non-current assets			
Advances and deferred charges	8	41,670	1,713
Intangible assets		387	241
Property, plant and equipment	9	293,687	244,598
Exploration and evaluation assets	10	4,845	4,704
		340,589	251,256
		473,401	276,760
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		15,827	7,800
Public warrant liability	11	138	3,640
		15,965	11,440
Non-current liabilities			
Loans payable	12	46,449	–
Production-linked liability	13	4,042	–
Rehabilitation provision		9,977	4,210
Deferred tax liability		21,161	23,035
		81,629	27,245
		97,594	38,685
Equity			
Share capital	16	552,953	419,319
Contributed surplus		34,438	32,575
Warrants	17	5,710	–
Deficit		(217,294)	(213,819)
		375,807	238,075
		473,401	276,760
Commitments and contingencies	22		
Subsequent events	12(b)		

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

Continental Gold Inc.
Consolidated Statements of (Operations) Earnings and Comprehensive
(Loss) Income (unaudited)

(in thousands of U.S. Dollars, except share and per share amounts)	Notes	Three months ended		Nine months ended	
		September 30		September 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Operating expenses:					
Corporate administration	20	(2,946)	(1,835)	(8,322)	(5,973)
Exploration expense		(64)	(17)	(66)	(55)
Gain (loss) on sale or write-down of assets		1	-	(5)	14
		(3,009)	(1,852)	(8,393)	(6,014)
Other income (expense):					
Foreign exchange gain (loss)		144	(214)	38	469
(Loss) gain on marketable securities		(442)	(355)	(295)	2,270
Gain (loss) on derivative financial instruments	11	1,102	(718)	3,502	(2,412)
Other income (expense)		71	(74)	(14)	(63)
Net loss before finance items and income tax		(2,134)	(3,213)	(5,162)	(5,750)
Finance income (expense):					
Interest income		375	49	670	138
Interest and accretion expense		(375)	(90)	(708)	(258)
Net loss before income tax		(2,134)	(3,254)	(5,200)	(5,870)
Income tax recovery (expense):					
Current		198	(48)	(154)	(98)
Deferred		1,625	1,466	1,879	4,893
Total income tax recovery		1,823	1,418	1,725	4,795
Net loss and comprehensive loss for the period attributable to the equity holders of Continental Gold Inc.		(311)	(1,836)	(3,475)	(1,075)
Net loss per common share					
Basic and diluted		(0.002)	(0.01)	(0.02)	(0.01)
Weighted average number of common shares outstanding					
Basic		188,060,816	141,538,421	164,833,572	135,244,076
Diluted		189,405,069	143,187,357	166,517,730	135,867,586

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

Continental Gold Inc.

Consolidated Statements of Changes in Shareholders' Equity (unaudited)

(in thousands of U.S. Dollars)	Issued Capital				
	Share Capital (Note 16)	Contributed Surplus	Warrants	Deficit	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2016	419,319	32,575	–	(213,819)	238,075
Issue of shares (Note 16(b))	133,927	–	–	–	133,927
Fair value of warrants issued (Note 17)	–	–	5,710	–	5,710
Share-based payments (Note 18(c))	356	1,863	–	–	2,219
Exercise of share-based payments – cash proceeds	809	–	–	–	809
Cost of issue (Note 16(b))	(1,458)	–	–	–	(1,458)
Net loss for the period	–	–	–	(3,475)	(3,475)
Balance, September 30, 2017	552,953	34,438	5,710	(217,294)	375,807
Balance, December 31, 2015	398,419	30,722	–	(209,008)	220,133
Issue of shares (Note 16(b))	21,962	–	–	–	21,962
Fair value of public warrants issued (Note 11)	(659)	–	–	–	(659)
Cost of issue (Note 16(b))	(1,422)	–	–	–	(1,422)
Share-based payments (Note 18(c))	240	1,535	–	–	1,775
Exercise of share-based payments – cash proceeds	760	–	–	–	760
Net loss for the period	–	–	–	(1,075)	(1,075)
Balance, September 30, 2016	419,300	32,257	–	(210,083)	241,474

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

Continental Gold Inc.

Consolidated Statements of Cash Flows (unaudited)

(in thousands of U.S. Dollars)	Notes	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Cash provided by (used in):					
Operating activities:					
Net loss for the period		(311)	(1,836)	(3,475)	(1,075)
Items not affecting cash:					
Foreign exchange (gain) loss		(144)	214	(38)	(469)
Loss (gain) on marketable securities		442	355	295	(2,270)
(Gain) loss on derivative financial instruments		(1,102)	718	(3,502)	2,412
Share-based payments		273	222	1,431	1,195
Deferred tax recovery		(1,625)	(1,466)	(1,879)	(4,893)
Other non-cash items	21(a)	357	172	787	459
Changes in non-cash operating working capital balances	21(a)	(91)	862	(765)	59
		(2,201)	(759)	(7,146)	(4,582)
Investing activities:					
Property, plant and equipment	21(b)	(16,151)	(110)	(36,665)	(925)
Exploration and evaluation assets	21(b)	(67)	(7,897)	(141)	(22,405)
Recoveries in property from gold sales		1,614	2,226	5,438	7,920
Receivables related to mineral properties		(466)	(144)	428	(1,081)
Prepays and advances		(6,200)	(243)	(28,742)	(188)
Other investing activities	21(b)	(206)	(22)	(396)	(64)
		(21,476)	(6,190)	(60,078)	(16,743)
Financing activities:					
Cash proceeds from exercise of stock options		641	760	809	760
Cash proceeds from issuance of shares, net of issue costs	16	–	–	132,469	20,540
Cash proceeds from Initial Credit Facility draws, net of finance charges paid	21(c)	–	–	41,723	–
Cash proceeds from settlement of derivatives		–	35	–	82
		641	795	175,001	21,382
Net change in cash and cash equivalents during the period		(23,036)	(6,154)	107,777	57
Cash and cash equivalents, beginning of period		150,166	34,985	19,214	28,053
Foreign exchange effect on cash balances		210	(302)	349	419
Cash and cash equivalents, end of period		127,340	28,529	127,340	28,529

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

Tabular dollar amounts represent thousands of United States (“U.S.”) dollars, unless otherwise shown. References to C\$/CAD and COP are to Canadian dollars and Colombian pesos, respectively.

1. NATURE OF OPERATIONS

Continental Gold Inc. (the “Company”) was incorporated under the Business Corporations Act (Ontario) on April 27, 2015 and is the public holding company of the wholly-owned subsidiary Continental Gold Limited (“Old Continental”), a Bermuda company incorporated under the Companies Act, 1981 (Bermuda) (the “Bermuda Act”).

The Company principally carries on business through a corporate office in Toronto and a foreign company branch office in Medellín, Colombia. In addition, wholly-owned subsidiaries, incorporated in Colombia and Bermuda, hold certain exploration properties.

The Company engages principally in the development, acquisition and exploration of its mineral properties in Colombia. The Company’s activities include a small-scale mining operation related to development and exploration work and is considered by the Company to be in the pre-production stage. Substantially all of the Company’s efforts are devoted to financing, developing and exploring these properties.

The Company’s shares are listed on the Toronto Stock Exchange (“TSX”) and also trade in the United States on the OTCQX® International, the highest tier of the U.S. Over-the-Counter market. The registered address and corporate records of the Company are located at 155 Wellington Street West, Suite 2920, Toronto, Ontario Canada M5V 3H1.

2. STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued and effective for the three and nine months ended September 30, 2017, as issued by the International Accounting Standards Board (“IASB”), applicable to the preparation of unaudited interim consolidated financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting (“IAS 34”). These unaudited interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS.

The accounting policies and the significant judgements, estimates and assumptions used in the application of the accounting policies used in the preparation of these unaudited interim consolidated financial statements are those applied in Notes 2, 3, 4 and 5 of the Company’s audited annual consolidated financial statements for the year ended December 31, 2016 and have been consistently applied throughout all periods presented as if these policies had always been in effect, except as described in Note 3 herein.

These unaudited interim consolidated financial statements were approved and authorized by the Audit Committee on November 9, 2017.

3. CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

(a) New Accounting Standards and Interpretations

The following revised standards and amendments, unless otherwise stated, are effective on or after January 1, 2018, with early adoption permitted, and have not been applied in preparing these unaudited interim consolidated financial statements. The Company does not plan to adopt any of these standards before they become effective.

- (i) IFRS 9, *Financial Instruments* (“IFRS 9”) replaces IAS 39, *Financial Instruments – Recognition and Measurement* (“IAS 39”) and some of the requirements of IFRS 7, *Financial Instruments: Disclosures* (“IFRS 7”). The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity’s future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

In respect of the Company’s financial assets, the Company expects the impact of the adoption of this standard on the consolidated financial statements to not be material. As at September 30, 2017, the Company’s financial assets are made up of cash and cash equivalents, marketable securities and receivables. The Company’s marketable securities are currently recognized and classified as fair value through profit or loss (“FVTPL”). The Company does not intend to invoke the election to present marketable securities in other comprehensive income (“OCI”). The Company’s receivables, excluding refundable sales taxes, represent short-term receivables and are not material. Any changes to the Company’s financial assets prior to adoption will require additional assessment of the impact on adoption.

In respect of the Company’s financial liabilities and equity instruments relating to the Revised Credit Facility, the Company is currently in the process of determining the impact this standard will have on the consolidated financial statements, if any, including the impact on the differences in the requirements for the modification of loans. In respect of the Public Warrants, the Company does not expect the adoption of this standard to impact the consolidated financial statements as the expiry date of the Public Warrants is November 25, 2017 and will either expire or be exercised prior to the date of adoption.

- (ii) IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”) replaces IAS 11, *Construction Contracts* (“IAS 11”), IAS 18, *Revenue* (“IAS 18”) and some revenue-related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company expects the impact as a result of the new requirements to not be material as the Company’s properties will not be in commercial production prior to the effective date. All future operating mines will adopt IFRS 15 upon achieving commercial production.

Continental Gold Inc.
Notes to Consolidated Financial Statements (unaudited)

- (iii) IFRS 16, *Leases* ("IFRS 16") replaces IAS 17, *Leases* ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

As at September 30, 2017, the Company had operating lease commitments totaling \$881,000 (see Note 21). However, the Company is in the process of determining the impact these commitments will have on the consolidated financial statements, if any.

There are no other IFRS or IFRS Interpretations Committee ("IFRIC") interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. SUBSIDIARIES

The following is a list of subsidiaries of the Company at September 30, 2017:

Name	Country of incorporation	Nature of business	Proportion of shares held directly by Company (%)	Proportion of shares held by consolidated group (%)
Continental Gold Limited	Bermuda	Development and exploration	100	–
CGL International Holdings Limited	Bermuda	Intermediate holding company	100	–
CGL Berlin Holdings Limited	Bermuda	Intermediate holding company	–	100
CGL Dominical Holdings Limited	Bermuda	Intermediate holding company	–	100
CGL Management Services Limited	Bermuda	Intermediate holding company	–	100
CGL Greater Buritica Holdings Limited	Bermuda	Intermediate holding company	–	100
CGL Dojura Holdings Limited	Bermuda	Intermediate holding company	–	100
CGL Berlin S.A.S.	Colombia	Exploration	–	100
CGL Dominical S.A.S.	Colombia	Exploration	–	100
CGL Santander S.A.S.	Colombia	Exploration	–	100
CGL Gran Buritica S.A.S.	Colombia	Exploration	–	100
CGL Dojura S.A.S.	Colombia	Exploration	–	100

The Company finances the operations of all of its subsidiaries and, thus, these companies will have unsecured borrowings from the Company that are interest-free and on demand. The ability for these controlled entities to repay debts due to the Company (and other parties) will be dependent on the commercialization of the development and exploration assets owned by the subsidiaries.

5. OPERATING SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Continental Gold Inc.
Notes to Consolidated Financial Statements (unaudited)

The Company's operations comprise a single reporting operating segment engaged in mineral development and exploration in Colombia.

Supplemental information

The Company has provided information regarding unallocated assets, liabilities and net loss as supplemental information:

As at September 30, 2017 (in thousands of U.S. dollars)	Corporate	Colombia	Total
	\$	\$	\$
Cash and cash equivalents	125,328	2,012	127,340
Property, plant and equipment	3,743	289,944	293,687
Exploration and evaluation assets	–	4,845	4,845
Total assets	142,503	330,898	473,401
Total liabilities	955	96,639	97,594
Period ended September 30, 2017 (in thousands of U.S. dollars)	Corporate	Colombia	Total
	\$	\$	\$
<i>Three months ended:</i>			
Net (loss) income	(469)	158	(311)
Capital expenditures	–	19,046	19,046
<i>Nine months ended:</i>			
Net loss	(1,579)	(1,896)	(3,475)
Capital expenditures	–	38,352	38,352
As at December 31, 2016 (in thousands of U.S. dollars)	Corporate	Colombia	Total
	\$	\$	\$
Cash and cash equivalents	18,587	627	19,214
Property, plant and equipment	293	244,305	244,598
Exploration and evaluation assets	–	4,704	4,704
Total assets	22,099	254,661	276,760
Total liabilities	5,007	33,678	38,685
Period ended September 30, 2016 (in thousands of U.S. dollars)	Corporate	Colombia	Total
	\$	\$	\$
<i>Three months ended:</i>			
Net (loss) income	(2,962)	1,126	(1,836)
Capital expenditures	–	5,320	5,320
<i>Nine months ended:</i>			
Net (loss) income	(4,082)	3,007	(1,075)
Capital expenditures	46	13,854	13,900

6. MARKETABLE SECURITIES

Marketable securities consisted of the following:

As at (in thousands of U.S. Dollars)	September 30, 2017		December 31, 2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Equity securities (a)	4,283	2,119	4,283	2,412
Warrant securities (b)	–	–	279	2
	4,283	2,119	4,562	2,414

(a) **Equity securities**

Equity securities are classified as FVTPL and are recorded at fair value using the bid price as at September 30, 2017 and are therefore classified as level 1 within the fair value hierarchy.

Continental Gold Inc.
Notes to Consolidated Financial Statements (unaudited)

(b) **Warrant securities**

As at September 30, 2017, all warrant securities have expired.

7. RECEIVABLES AND PREPAID EXPENSES

As at (in thousands of U.S. dollars)	September 30, 2017	December 31, 2016
	\$	\$
Accounts receivable (a)	3,256	3,759
Prepaid expenses	97	117
	3,353	3,876

(a) **Accounts receivable**

Accounts receivable as at September 30, 2017 includes a total of \$3,152,000 (December 31, 2016 - \$3,696,000) of refundable sales taxes made up of \$3,126,000 (December 31, 2016 - \$3,641,000) of Colombia value-added-tax refund receivable and \$26,000 (December 31, 2016 - \$55,000) of Canadian harmonized sales tax refund receivable.

8. ADVANCES AND DEFERRED CHARGES

As at (in thousands of U.S. dollars)	September 30, 2017	December 31, 2016
	\$	\$
Prepaid construction costs (a)	30,122	544
Deferred finance charges (b)	11,190	-
Other prepaids and deferred charges	358	1,169
	41,670	1,713

Prepays and advances represent advances for costs that will be capitalized when incurred.

(a) **Prepaid construction costs**

Prepaid construction costs represent advances to contractors for development costs that will be capitalized according to the Company's accounting policy for property, plant and equipment.

(b) **Deferred finance charges**

Effective January 10, 2017, the Company entered into a credit facility with a third party (the "Lender") for a total of \$250,000,000 for the construction of the Buriticá mine (the "Initial Credit Facility") (see Note 12(a)). The following represents deferred finance charges incurred in respect of the Initial Credit Facility:

As at (in thousands of U.S. dollars)	Note	September 30, 2017
		\$
Arrangement fee	12(a)	7,500
Fair value of warrants issued	17	5,710
Fair value of production-linked liability	13	3,874
Other finance charges		777
Total transaction costs		17,861
Transaction costs attributable to draws		(6,671)
		11,190

Continental Gold Inc.
Notes to Consolidated Financial Statements (unaudited)

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(in thousands of U.S. dollars)	Land and Buildings	Vehicles, Mining and Exploration Equipment	Leasehold Improvements, Office and Computer Equipment	Construction in Progress	Total
	\$	\$	\$	\$	\$
Opening net book value, January 1, 2017	5,609	4,410	1,263	233,316	244,598
Additions	331	212	619	54,474	55,636
Gold sales credits	-	-	-	(5,438)	(5,438)
Disposals and write-downs	-	(3)	(2)	-	(5)
Depreciation	(139)	(559)	(406)	-	(1,104)
Closing net book value, September 30, 2017	5,801	4,060	1,474	282,352	293,687
Balance, September 30, 2017					
Cost	6,430	7,541	4,433	282,352	300,756
Accumulated depreciation	(629)	(3,481)	(2,959)	-	(7,069)
Net book value	5,801	4,060	1,474	282,352	293,687
Opening net book value, January 1, 2016	5,237	4,606	1,259	-	11,102
Additions	564	436	389	-	1,389
Transfer from exploration and evaluation assets	-	-	-	233,316	233,316
Disposals and write-downs	(7)	(1)	(1)	-	(9)
Depreciation	(185)	(631)	(384)	-	(1,200)
Closing net book value, December 31, 2016	5,609	4,410	1,263	233,316	244,598
Balance, December 31, 2016					
Cost	6,099	7,373	3,826	233,316	250,614
Accumulated depreciation	(490)	(2,963)	(2,563)	-	(6,016)
Net book value	5,609	4,410	1,263	233,316	244,598

Depreciation for the three and nine months ended September 30, 2017 of \$84,000 and \$238,000, respectively (three and nine months ended September 30, 2016 - \$55,000 and \$205,000, respectively), is included in depreciation and amortization in the interim consolidated statement of (operations) earnings and comprehensive (loss) income for the three and nine months ended September 30, 2017 and depreciation for the three and nine months ended September 30, 2017 of \$322,000 and \$866,000, respectively (three and nine months ended September 30, 2016 - \$236,000 and \$692,000, respectively), is capitalized in construction in progress.

As at December 31, 2016, the Company determined that the Buriticá project had demonstrated technical feasibility and commercial viability as the Company issued a positive feasibility study earlier in 2016, had received the approval of both the Environmental Impact Assessment ("EIA") (the final major permit required to build and operate a large-scale underground mine at Buriticá) earlier in December 2016 and was in the final stages of closing a credit facility arrangement. As a result, exploration and evaluation assets of \$233,316,000 were transferred to construction in progress within property, plant and equipment in the annual consolidated statement of financial position at December 31, 2016. In addition, management assessed the asset for impairment and determined that no impairment exists.

For the three and nine months ended September 30, 2017, borrowing costs (see Note 12(a)) of \$1,386,000 and \$3,120,000, respectively (three and nine months ended September 30, 2016 - \$nil) were capitalized as part of construction in progress. All costs capitalized as part of construction in progress will be amortized upon commencement of commercial production.

Continental Gold Inc.
Notes to Consolidated Financial Statements (unaudited)

The Buriticá project includes the Yaraguá mine that is currently utilized for underground development, exploration and as a testing operation. Activities are considered integral to the construction and development of the Buriticá mine and, as a result, related pre-production gold sales and costs are capitalized as part of construction in progress.

Gold sales from pre-production revenues for the three and nine months ended September 30, 2017 of \$1,614,000 and \$5,438,000, respectively (three and nine months ended September 30, 2016 - \$2,226,000 and \$7,920,000, respectively), were credited against the capitalized expenditures.

Inventory is recorded at cost and is included within construction in progress in respect of the Buriticá project as the Company capitalizes its pre-production revenues and costs. The following represents inventory included in property, plant and equipment as part of the Buriticá project:

As at (in thousands of U.S. dollars)	September 30, 2017	December 31, 2016
	\$	\$
Gold doré (i)	1,546	1,280
Stockpile	167	271
Supplies	1,163	970
	2,876	2,521

- (i) As at September 30, 2017, the Company held 719 ounces of gold (December 31, 2016 – 1,014 ounces), having a net realizable value of \$923,000 based on a closing gold price of \$1,283 per ounce (December 31, 2016 - \$1,162,000 based on a closing gold price of \$1,146 per ounce).

10. EXPLORATION AND EVALUATION ASSETS

(in thousands of U.S. dollars)	Balance December 31, 2016	Additions	Gold Sales and Recoveries	Transfers, Disposals or Write-downs	Balance September 30, 2017
	\$	\$	\$	\$	\$
Gran Buriticá (a)	4,704	141	-	-	4,845
Total	4,704	141	-	-	4,845

(in thousands of U.S. dollars)	Balance December 31, 2015	Additions	Gold Sales and Recoveries	Transfers, Disposals or Write-downs	Balance December 31, 2016
	\$	\$	\$	\$	\$
Gran Buriticá (a)	4,593	111	-	-	4,704
Buriticá (b)	212,723	29,759	(9,166)	(233,316)	-
Total	217,316	29,870	(9,166)	(233,316)	4,704

(a) **Gran Buriticá Project**

The Company maintains exploration licenses surrounding the main Buriticá project representing properties that are in early-stage exploration.

(b) **Buriticá Project**

In December 2016, the Company determined that the Buriticá project demonstrated technical feasibility and commercial viability and, as a result, transferred the balance of the exploration and evaluation assets relating to the project to construction in progress (see Note 9).

(c) **Berlin, Dominical and Dojura Projects**

The Company also maintains exploration licenses for the Berlin, Dominical and Dojura projects in Colombia. These projects were written down to \$nil in prior years due to uncertainty in the Company's ability to recover its costs in respect of these projects.

All expenditures incurred in respect of these projects are expensed.

11. PUBLIC WARRANT LIABILITY

The following represents Common Share purchase warrants denominated in Canadian dollars (the "Public Warrants") and classified as derivative financial liabilities:

	September 30, 2017		December 31, 2016	
	Number of Public Warrants	Fair Value \$(000's)	Number of Public Warrants	Fair Value \$(000's)
Balance, January 1	5,750,000	3,640	-	-
Issued	-	-	5,750,000	659
Fair value revaluation of liability	-	(3,502)	-	2,981
Balance, end of period	5,750,000	138	5,750,000	3,640

On May 25, 2016, 5,750,000 Public Warrants were issued upon completion of an equity financing (Note 16(b)(i)). Each Public Warrant has an exercise price of C\$4.75 and an expiry date of November 25, 2017. In the event that the closing share price of the Company's common shares on the TSX is greater than C\$6.00 per share for a period of 20 consecutive days at any time after May 25, 2016, the Company may accelerate the expiry date of the Public Warrants by giving notice to the warrant holders and, in such case, the Public Warrants will expire on the 30th day after the date on which such notice is given by the Company. As of September 30, 2017, no such notice had been given by the Company. The Public Warrants are traded on the TSX under the symbol "CNL.WT.A". As a result, fair value estimates are determined based on quoted market prices and are therefore classified as level 1 within the fair value hierarchy.

The issue date fair value of the Public Warrants was estimated at \$659,000. The fair value of the outstanding Public Warrants on September 30, 2017 was \$138,000 (December 31, 2016 - \$3,640,000), resulting in a derivative gain recognized in the statement of earnings and comprehensive income for the three and nine months ended September 30, 2017 of \$1,102,000 and \$3,502,000, respectively (three and nine months ended September 30, 2016 - \$706,000 and \$2,629,000, respectively).

12. LOANS PAYABLE

As at (in thousands of U.S. dollars)	Note	September 30, 2017
Total draws from Initial Credit Facility (a)		\$ 50,000
Transaction costs attributable to draws	8(b)	(6,671)
Total loan payable, net of attributable transaction costs		43,329
Accrued interest		3,120
Loan payable balance end of period		46,449

(a) Initial Credit Facility

Effective January 10, 2017, the Company entered into a credit facility arrangement with a third party (the "Lender") for a total of \$250,000,000 for the construction of the Buritica mine (the "Initial Credit Facility").

The Initial Credit Facility is structured in three tranches:

- (i) First tranche of \$100,000,000 – Available on satisfaction of certain customary conditions precedent;
- (ii) Second tranche of \$100,000,000 – Available upon satisfaction of other customary conditions precedent and completion of additional equity financings with net proceeds totaling a minimum of \$100,000,000 (the "Equity Financing Condition") from third parties.

The Lender has committed to an investment of up to \$25,000,000 in addition to the Equity Financing Condition; and

- (iii) Third tranche of \$50,000,000 – Available when the project is at least 65% complete and the Company has sufficient capital (including the final tranche of \$50,000,000) to complete the project.

The final draw is the earlier of commencement of commercial production or 30 months after the first draw (July 10, 2019).

The Initial Credit Facility was subject to a 3% arrangement fee and bears interest at the 3-month LIBOR rate plus 8%, with a minimum 1% LIBOR rate. Interest is capitalized until the end of the 39th month after the first draw from the Initial Credit Facility (April 30, 2020). Total principal and capitalized interest (“Fully Advanced Principal”) are payable quarterly over sixteen consecutive quarters and interest on the Fully Advanced Principal is payable quarterly, both commencing at the end of the 42nd month after the first draw (July 31, 2020). The required quarterly repayments range from 4% to 10% of the Fully Advanced Principal. Additional or early repayments of the outstanding principal balance, in whole or in part, are subject to early repayment fees if paid prior to the fifth year.

In connection with the Initial Credit Facility, the Company also issued Common Share purchase warrants denominated in U.S. dollars (the “Private Warrants”) to the Lender (see Note 17) and will incur production-linked liabilities based on amounts advanced under the Initial Credit Facility (see Note 13), both of which are considered as transaction costs for the Initial Credit Facility.

During the three and nine months ended September 30, 2017, the Company received net proceeds relating to draws from the Initial Credit Facility of \$nil and \$42,019,000, respectively, net of the arrangement fee of \$7,500,000 and Lender’s costs of \$481,000. Additional transaction costs of \$nil and \$296,000, respectively, were also incurred. Total transaction costs (see Note 8(b)) of \$nil and \$17,861,000, respectively, including the issued Private Warrants valued at \$5,710,000 and production-linked liabilities relating to the draws valued at \$nil and \$3,874,000, respectively, are treated as deferred finance charges. The portion of the transaction costs attributable to each draw are transferred as a reduction to loan payable upon receipt of each draw. During the three and nine months ended September 30, 2017, \$nil and \$6,671,000, respectively, of financing charges were attributable to the draws received under the Initial Credit Facility during the period and were transferred from deferred financing charges as a reduction to loans payable.

For the three and nine months ended September 30, 2017, accrued interest of \$1,386,000 and \$3,120,000, respectively, calculated using the effective interest method, was capitalized as borrowing costs in construction in progress within property, plant and equipment.

The Company is subject to a debt covenant requiring the Company to maintain a minimum working capital balance of \$15,000,000 at all times. As at September 30, 2017, the Company’s working capital is \$116,847,000.

The Initial Credit Facility is considered to be a hybrid financial instrument, containing liability components, derivative components and an equity component. The liability components are made up of the loan payable and the production-linked liability (see Note 13). The derivative components are made up of the early repayment fees and the interest minimum 1% LIBOR rate (see Note 14(b)). The equity component is represented by the Private Warrants (see Note 17).

The loan payable is measured at amortized cost, net of attributable financing charges, and is accreted over the expected term to maturity using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts the estimated future cash payments through the expected life of the liability.

(b) **Credit Facility Amendment**

Effective October 16, 2017, the Company and the Lender completed an amendment to the Initial Credit Facility, providing an additional \$25,000,000 (the "Credit Facility Amendment") and resulting in a revised total available credit facility of \$275,000,000 (the "Revised Credit Facility"). The Credit Facility Amendment is available for drawdown until July 13, 2018. Conditions precedent for the second and third tranches in respect of the Initial Credit Facility, the arrangement fee and the production-linked liability do not apply to the Credit Facility Amendment. Otherwise, all other terms and conditions within the Initial Credit Facility applies to the Credit Facility Amendment.

13. PRODUCTION-LINKED LIABILITY

	Number of Ounces	
	000s	\$(000s)
Balance, January 1, 2017	—	—
Issued	250	3,874
Revaluation of liability	—	168
Balance, September 30, 2017	250	4,042

In connection with the Initial Credit Facility (see Note 12(a)), production-linked payments of \$20 per ounce is payable, in cash, on the production of the first 1,250,000 ounces of production at the Buriticá mine or such lesser amount determined on a pro-rated basis based on amounts advanced under the Initial Credit Facility.

The production-linked liability is measured at fair value on the date of each draw from the Initial Credit Facility. Fair value is determined as the present value of the relevant production using the discount rate of 7.5%, as defined in the Initial Credit Facility in respect of the production-linked payments. Subsequently, the production-linked liability is remeasured at each reporting date with changes in fair value recognized in the consolidated statement of (operations) earnings and comprehensive (loss) income.

Draws from the Initial Credit Facility for the nine months ended September 30, 2017 resulted in production-linked liabilities for 250,000 ounces of production, having a total fair value of \$3,874,000, determined on the date of each draw. The fair value of the production-linked liability on September 30, 2017 was \$4,042,000, resulting in accretion expense recognized in the consolidated statement of (operations) earnings and comprehensive (loss) income for the nine months ended September 30, 2017 of \$168,000.

14. FINANCIAL INSTRUMENTS

(a) Financial Instruments Disclosures

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3 of the Company's audited annual consolidated financial statements for the year ended December 31, 2016.

Financial assets and financial liabilities as at September 30, 2017 and December 31, 2016 were as follows:

As at September 30, 2017 (in thousands of U.S. Dollars)	Fair Value through profit and loss	Loans and receivables	Other financial assets (liabilities)	Total
	\$	\$	\$	\$
Cash and cash equivalents	-	127,340	-	127,340
Marketable securities	2,119	-	-	2,119
Receivables	-	104	-	104
Accounts payable and accrued liabilities	-	-	(12,606)	(12,606)
Public warrant liability	(138)	-	-	(138)
Loans payable	-	-	(46,449)	(46,449)
Production-linked liability	(4,042)	-	-	(4,042)
Total	(2,061)	127,444	(59,055)	66,328
	Fair Value			
As at December 31, 2016 (in thousands of U.S. Dollars)	through profit and loss	Loans and receivables	Other financial assets (liabilities)	Total
	\$	\$	\$	\$
Cash and cash equivalents	-	19,214	-	19,214
Marketable securities	2,414	-	-	2,414
Receivables	-	63	-	63
Accounts payable and accrued liabilities	-	-	(6,251)	(6,251)
Public warrant liability	(3,640)	-	-	(3,640)
Total	(1,226)	19,277	(6,251)	11,800

The carrying value of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate fair value because of the limited term of these instruments.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(b) Derivatives

As part of the Initial Credit Facility, embedded derivatives relating to the early repayment fees and the interest minimum 1% LIBOR rate exist within the agreement. On receipt of each draw from the Initial Credit Facility, the fair value of the derivatives is measured. Subsequently, the derivatives are remeasured at each reporting date with changes recognized in the statement of earnings and comprehensive income.

Fair value of the derivatives was determined to be insignificant on the date of the draw from the Initial Credit Facility and on September 30, 2017 and, as a result, were not recognized.

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The fair values for both the early repayment fees and the interest minimum 1% LIBOR rate in respect of draws from the Initial Credit Facility during the nine months ended September 30, 2017 were determined to be \$nil. On September 30, 2017, the fair values of these derivatives were also determined to be \$nil.

15. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which is comprised of share capital, contributed surplus, warrants and deficit, which at September 30, 2017 totalled \$375,807,000 (December 31, 2016 - \$238,075,000). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. The forecast is regularly updated based on activities related to its mineral properties. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2017. The Company is subject to a minimum working capital balance of \$15,000,000 required by the lender of the Initial Credit Facility. As at September 30, 2017, the Company's working capital was \$116,847,000. The Company is not subject to any further capital requirements imposed by a regulator or lending institution.

16. SHARE CAPITAL

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares ("Common Shares") without par value. All issued shares are fully paid. No dividends have been paid or declared by the Company since inception.

(b) Issued

As of September 30, 2017, the issued share capital was 188,218,514. The change in issued share capital for the nine months ended September 30, 2017 and 2016 were as follows:

	Number of Shares	
	2017	2016
Balance, January 1	141,629,345	129,549,628
Exercise of stock options (Note 18 (a))	510,371	400,000
Shares issued on vesting of RSUs (Note 18 (b))	105,579	179,717
Shares issued		
– private placement (i)	45,973,219	–
– bought deal (ii)	–	11,500,000
Balance, September 30	188,218,514	141,629,345

- (i) On May 18, 2017, the Company completed the issuance of 37,383,844 Common Shares to a third-party investor (the "Investor") in a non-brokered private placement at a price of C\$4.00 per share, for total gross proceeds of \$108,927,000. Concurrently, the Lender also purchased 8,589,375 Common Shares of the Company on a private placement basis at a price of C\$4.00 per share for total gross proceeds of \$25,000,000, as contemplated in the Initial Credit Facility (collectively, the "Private Placement"). Transaction costs in respect of the Private Placement were \$1,458,000. The closing of the Private Placement satisfies the Equity Financing Condition, one of the conditions precedent to accessing the second tranche of financing under the Initial Credit Facility (see Note 12(a)).
- (ii) On May 25, 2016, the Company completed an equity financing, on a bought deal basis, for gross proceeds of C\$28,750,000 (\$21,962,000) and resulting in the issuance of 11,500,000 Common Shares and 5,750,000 Public Warrants. Under IFRS, the Public Warrants are classified as Public Warrant Liability (Note 11).

Total share issue costs were \$1,448,000, including a 5% commission of gross proceeds to the underwriters of \$1,098,000. \$1,403,000 of the share issue costs are recognized as a reduction to equity and the remaining \$45,000, representing the portion of the issue costs allocated to the Public Warrants, was recognized in the statement of operations and comprehensive loss for the year ended December 31, 2016.

17. WARRANTS

	2017	
	Number of Warrants	Black-Scholes Value
Balance, January 1	—	—
Issued	3,000,000	5,710
Balance, September 30	3,000,000	5,710

In connection with the Initial Credit Facility (see Note 12(a)), the Company issued 3,000,000 Private Warrants, denominated in U.S. dollars, to the Lender at an exercise price of \$3.67 per share. The Private Warrants have an expiry date of January 10, 2021. In the event that the closing share price of the Common Shares on the TSX, calculated in U.S. dollars, is greater than \$7.34 per share on each day for a period of 40 consecutive days, the Company may accelerate the expiry date of the Private Warrants by giving notice to the warrant holders and, in such case, the Private Warrants will expire on the 30th day after the date on which such notice is given by the Company. As of September 30, 2017, no such notice had been given by the Company.

The Company's Private Warrants are classified as equity and measured at fair value on the date of issue. The fair value of the Private Warrants of \$5,710,000 was calculated using the Black-Scholes option pricing model and are therefore classified as level 2 within the fair value hierarchy. Subsequently, the Private Warrants are not revalued.

18. SHARE-BASED PAYMENTS

The Company has a stock option plan (the "Option Plan"), a deferred share unit plan (the "DSU Plan") and a restricted share unit plan (the "RSU Plan") in place. The maximum number of Common Shares issuable under all share-based compensation arrangements of the Company is equal to 10% of the issued and outstanding Common Shares of the Company from time to time. The maximum number of Common Shares issuable to any one person, within any one-year period, pursuant to the security-based compensation arrangements of the Company, is 5% of the total number of Common Shares then outstanding.

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The Option Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. The maximum number of Common Shares to be reserved for issuance under the DSU Plan and RSU plan is set at 250,000 and 750,000, respectively. The Option Plan and the DSU Plan contain provisions that limits the aggregate number of securities granted, excluding initial securities granted, under all security-based compensation arrangements of the Company to any one non-employee director within any one-year period.

Under the Option Plan, the Company may grant to directors, officers, employees and consultants stock options to purchase Common Shares of the Company. Stock options granted under the Option Plan will be for a term not to exceed 10 years.

The DSU Plan provides that employees and directors of the Company may elect to receive up to 100% of their annual compensation in DSUs. In addition, the Board, or a Committee which administers the DSU Plan, may award such number of DSUs to an employee or director as deemed appropriate. As of September 30, 2017 and 2016, there were no DSUs outstanding.

The RSU Plan provides that RSUs may be granted by the Board, or a Committee which administers the RSU Plan, to employees and consultants of the Company as a discretionary payment in consideration of past or future services to the Company. Non-employee directors are not eligible to receive RSUs.

(a) **Stock options:**

Movements in stock options during the period were as follows:

	2017		2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		C\$		C\$
Balance, January 1	8,066,093	4.24	8,695,293	5.40
Granted ^(*) (a)	1,795,500	4.23	1,740,000	1.99
Exercised	(510,371)	2.07	(400,000)	2.45
Expired or Forfeited	(1,488,188)	7.61	(1,905,000)	7.68
Balance, September 30	7,863,034	3.75	8,130,293	4.28

(*) The weighted average grant date fair value of stock option grants during the three and nine months ended September 30, 2017 were \$1.42 per share and \$1.54 per share, respectively (three and nine months ended September 30, 2016 – \$1.27 per share and \$0.70 per share, respectively).

The following table shows the stock options outstanding and exercisable at September 30, 2017:

Range of Price (C\$)	Options Outstanding			Options Exercisable		
	Number of Options Outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (C\$)	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price (C\$)
\$1.27 - \$2.00	1,544,234	2.96	1.64	1,265,484	2.89	1.65
\$2.01 – \$4.00	3,572,500	2.54	3.04	3,145,000	2.31	3.02
\$4.01 - \$6.00	1,863,800	3.69	4.41	699,050	2.70	4.52
\$8.01 – \$8.89	882,500	0.31	8.89	882,500	0.31	8.89
	7,863,034	2.65	3.75	5,992,034	2.18	3.77

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The following is a summary of the stock options granted, the fair values and the assumptions used in the Black-Scholes option pricing formula:

For the nine months ended	2017	2016
Number of options granted	1,795,500	1,740,000
Weighted average exercise price (C\$)	4.23	1.99
Weighted average market price (\$)	3.24	1.49
Expected dividend yield	Nil	Nil
Expected volatility (%)	71%	71%
Weighted average risk-free interest rate (%)	0.83%	0.50%
Forfeiture rate (%)	10.00%	10.93%
Weighted expected life (years)	3.12	3.04
Weighted average grant date fair value per share (\$)	1.54	0.70

The majority of stock options granted have vesting terms of 25% every six months from the date of grant and a five-year term.

(b) **RSUs:**

Movements in RSUs during the period were as follows:

	2017		2016	
	Number of RSUs	Average Grant Date Market Price C\$	Number of RSUs	Average Grant Date Market Price C\$
Balance, January 1	-	-	-	-
Granted (**)	118,579	4.31	179,717	1.61
Vested	(105,579)	4.44	(179,717)	1.61
Balance, September 30 (**)	13,000	3.26	-	-

(**) Outstanding RSUs have performance conditions with an estimated vesting date of December 31, 2019.

(c) **Share-based payments:**

The Company recorded share-based payments as follows:

(in thousands of U.S. Dollars)	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Share-based payments included in corporate administration expenses	273	222	1,431	1,195
Share-based payments capitalized to exploration and evaluation assets	201	187	788	580
	474	409	2,219	1,775

19. RELATED PARTY TRANSACTIONS

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The following related party transactions were conducted in the normal course of operations and are measured at the exchange value (the amount established and agreed to by the related parties):

- (a) During the three and nine months ended September 30, 2017, legal fees relating to the closure of the Initial Credit Facility of \$nil and \$13,000, respectively (three and nine months ended September 30, 2016, - \$nil) were charged from a law firm in which a director of the Company is a partner and are included in deferred financing charges for the Initial Credit Facility.

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- (b) During the three and nine months ended September 30, 2017, \$3,000 and \$73,000, respectively (three and nine months ended September 30, 2016, - \$nil) was paid to a non-profit organization responsible for community programs in Colombia in which an officer of the Company is related and is included in corporate administration expenses on the consolidated statement of (operations) earnings and comprehensive (loss) income.

20. CORPORATE ADMINISTRATION EXPENSES

(in thousands of U.S. Dollars)	Note	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Salaries		947	562	2,553	1,529
General office and administration		963	244	1,796	678
Share-based payments	18(c)	273	222	1,431	1,195
Directors fees and expenses		223	70	591	210
Professional fees		209	428	588	737
Wealth tax		—	—	398	861
Investor relations		45	119	263	224
Depreciation and amortization		84	55	238	205
Travel expenses		46	95	238	208
Bad debt expense		122	34	122	34
Regulatory fees		34	6	104	92
		2,946	1,835	8,322	5,973

21. CASH FLOW INFORMATION

(a) **Other Operating Activities**

(in thousands of U.S. Dollars)	Note	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Other non-cash items:					
Depreciation and amortization	9	84	55	238	205
Bad debt expense		122	34	122	34
Interest and accretion expense		80	83	234	234
Accretion on production-linked liability	13	74	—	168	—
Inventory write-offs		(2)	—	20	—
(Gain) loss on write-down of assets		(1)	—	5	(14)
		357	172	787	459
Net changes in non-cash operating working capital balances:					
Receivables and prepaid expenses		186	94	51	(53)
Accounts payable and accrued liabilities		(277)	768	(816)	112
		(91)	862	(765)	59

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(b) **Other Investing Activities**

(in thousands of U.S. Dollars)	Note	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Property, plant and equipment:					
Accounts payable and accrued liabilities attributable to property, plant and equipment		4,331	-	7,369	-
Equipment		-	(110)	(781)	(925)
Construction in progress expenditures		(20,482)	-	(43,253)	-
		(16,151)	(110)	(36,665)	(925)
Exploration and evaluation assets:					
Accounts payable and accrued liabilities attributable to exploration and evaluation assets		-	(488)	-	(1,593)
Exploration expenditures		(67)	(7,409)	(141)	(20,812)
		(67)	(7,897)	(141)	(22,405)
Other items:					
Intangible assets		(206)	(27)	(396)	(83)
Proceeds from disposal		-	5	-	19
		(206)	(22)	(396)	(64)

(c) **Other Financing Activities**

(in thousands of U.S. Dollars)	Note	Three months ended September 30		Nine months ended September 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Initial Credit facility:					
Draws received	12(a)	-	-	50,000	-
Transaction costs paid	8(b), 12(a)	-	-	(7,500)	-
Arrangement fee		-	-	(481)	-
Lenders' costs		-	-	(296)	-
Other transaction costs		-	-	(8,277)	-
		-	-	41,723	-

(d) **Reconciliation of movements of liabilities to cash flows arising from financing activities**

(in thousands of U.S. Dollars)	Loans Payable (Note 12)	Production-linked Liability (Note 13)	Warrants (Note 17)	Deferred Finance Charges (Note 8(b))	Total
	\$	\$		\$	\$
Balance, January 1, 2017	-	-	-	-	-
Changes from financing cash flows:					
Proceeds from Initial Credit Facility draws	50,000	-	-	-	50,000
Transaction costs paid	-	-	-	(8,277)	(8,277)
	50,000	-	-	(8,277)	41,723
Other changes:					
Non-cash transaction costs	-	3,874	5,710	(9,584)	-
Finance charges attributable to draws	(6,671)	-	-	6,671	-
Capitalized interest	3,120	-	-	-	3,120
Revaluation of liability	-	168	-	-	168
Balance, September 30, 2017	46,449	4,042	5,710	(11,190)	45,011

22. COMMITMENTS AND CONTINGENCIES

Commitments

As at September 30, 2017, the Company had the following contractual commitments and obligations:

(in thousands of U.S. Dollars)	Total	Less than 1 Year	Years 2 – 5	After 5 Years
	\$	\$	\$	\$
Operating leases (a)	881	439	442	–
Capital commitments (b)	55,715	48,206	7,509	–
Initial Credit Facility principal and interest payments (c)	52,739	–	31,116	21,623
Production-linked payments (d)	5,000	–	5,000	–
	114,335	48,645	44,067	21,623

- (a) Non-cancellable operating lease payments in respect of the Company's office, warehouse and housing facilities in Toronto and Colombia.
- (b) Capital commitments relate to construction activities at the Buriticá project. All costs will be capitalized to property, plant and equipment when incurred.
- (c) Initial Credit Facility principal and interest payments represent total draws received and capitalized interest.
- (d) Production-linked payments represent required payments, resulting from draws received from the Initial Credit Facility, of \$20 per ounce of gold production.

Environmental Contingencies

The Company's mining and exploration activities are subject to Colombian laws and regulations governing the protection of the environment. These laws and regulations are subject to change and may generally become more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations 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.