Integra Resources Corp.

(formerly Mag Copper Limited)

Unaudited Interim Condensed Consolidated Financial Statements

For the three and six month periods ended
June 30, 2017 and 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed financial statements of Integra Resources Corp. (formerly Mag Copper Limited), are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"George Salamis" (signed)
George Salamis, President and CEO

"Andrée St-Germain" (signed)
Andrée St-Germain, CFO

Integra Resources Corp.
(formerly Mag Copper Limited)

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

As at,	June 30, 2017	December 31, 2016
	$	$
Assets		
Current Assets		
Cash and cash equivalents *(Note 5)*	**764,869**	3,700
Receivables and other assets *(Note 8)*	**58,877**	6,997
Other financial assets *(Note 6)*	**-**	9,625
	823,746	20,322
Liabilities		
Current Liabilities		
Trade and other payables *(Note 9)*	**24,111**	96,945
Due to related parties *(Note 7)*	**35,994**	785,986
	60,105	882,931
Shareholders' Equity (Deficiency)		
Capital stock *(Note 10)*	**15,241,196**	13,570,827
Reserve for warrants *(Note 11)*	**406,000**	406,000
Reserve for share based payment *(Note 12)*	**525,620**	525,620
Accumulated deficit	**(15,409,175)**	(15,365,056)
	763,641	(862,609)
	823,746	20,322

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 13)
Subsequent events (Note 14)

Approved on behalf of the Board on November 3, 2017:

"Stephen de Jong", Director

"Lisa McCormack", Director

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

Integra Resources Corp.
(formerly Mag Copper Limited)

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

	Three month period ended June 30, 2017	Three month period ended June 30, 2016	**Six month period ended June 30, 2017**	Six month period ended June 30, 2016
	$	$	**$**	$
Operating expenses				
General and administrative *(Note 7)*	**10,435**	9,680	**14,054**	11,821
Professional fees *(Note 7)*	**6,667**	17,165	**20,299**	27,482
Consulting fees *(Note 7)*	**6,000**	6,000	**12,000**	12,000
	(23,102)	(32,845)	**(46,353)**	(51,303)
Gain on settlement of debt *(Note 10)*	**-**	329,751	**-**	329,751
Gain on forgiveness of debt	**-**	80,888	**-**	80,888
Gain on other financial assets *(Note 6)*	**-**	-	**2,234**	-
Unrealized gain on other financial assets *(Note 6)*	**-**	625	**-**	1,000
Net income (loss) and comprehensive income (loss)	**(23,102)**	378,419	**(44,119)**	360,336
Net income (loss) per share				
- basic	**(0.00)**	0.26	**(0.01)**	0.26
- diluted	**(0.00)**	0.26	**(0.01)**	0.26
Weighted average number of shares (000's)				
- basic	**11,212**	1,481	**7,193**	1,369
- diluted	**11,212**	1,481	**7,193**	1,369

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

Integra Resources Corp.
(formerly Mag Copper Limited)

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

	Share Capital		Reserves			
	Number of Shares*	Amount	Share based payments	Warrants	Deficit	Total
Balance at December 31, 2015	**1,256,297**	**$ 13,493,389**	**$ 525,620**	**$ 406,000**	**$ (15,707,082)**	**$ (1,282,073)**
Shares issued for settlement of debt, net of issue costs	659,504	77,438	-	-	-	77,438
Net loss for the period	-	-	-	-	360,336	360,336
Balance at June 30, 2016	**1,915,801**	**$ 13,570,827**	**$ 525,620**	**$ 406,000**	**$ (15,346,746)**	**$ (844,299)**
Net income for the period	-	-	-	-	(18,310)	(18,310)
Balance at December 31, 2016	**1,915,801**	**$ 13,570,827**	**$ 525,620**	**$ 406,000**	**$ (15,365,056)**	**$ (862,609)**
Shares issued for cash, net of issue costs	6,611,880	884,402	-	-	-	884,402
Shares issued for settlement of debt, net of issue costs	6,287,730	785,967	-	-	-	785,967
Net loss for the period	-	-	-	-	(44,119)	(44,119)
Balance at June 30, 2017	**14,815,411**	**$ 15,241,196**	**$ 525,620**	**$ 406,000**	**$ (15,409,175)**	**$ 763,641**

** Number of shares outstanding reflects the 5 for 1 share consolidation on January 30, 2017 and the 2.5 to 1 share consolidation announced on August 17, 2017 of the Company's issued and outstanding shares*

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

Integra Resources Corp.
(formerly Mag Copper Limited)

Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Six Month Period Ended	
	June 30, 2017	June 30, 2016
	$	$
Operations		
Net income (loss)	**(44,119)**	360,336
Adjustments to reconcile net income (loss) to cash flow from operating activities:		
Gain on settlement of debt	**-**	(329,751)
Gain on forgiveness of debt	**-**	(80,888)
Gain on other financial assets	**(2,234)**	-
Unrealized gain on other financial assets	**-**	(1,000)
Net change in non-cash working capital items:		
Receivables and other assets	**(51,880)**	(372)
Trade and other payables	**(72,834)**	4,369
Due to related parties	**35,975**	41,239
Cash flow used in operating activities	**(135,092)**	(6,067)
Investing		
Proceeds from sale of other financial assets	**11,859**	-
Cash flow provided by investing activities	**11,859**	-
Financing		
Issuance of common shares, net of issue costs	**884,402**	-
Cash flow provided by financing activities	**884,402**	-
Increase (decrease) in cash and cash equivalents	**761,169**	(6,067)
Cash at beginning of period	**3,700**	10,526
Cash at end of period	**764,869**	4,459

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

1. NATURE OF OPERATIONS

Integra Resources Corp. ("Integra" or the "Company"), formerly Mag Copper Limited, was incorporated on April 15, 1997 as Berkana Digital Studios Inc. On December 4, 1998, the name of the Company was changed to Claim Lake Resource Inc. and on March 31, 2005, the Company changed its name to Fort Chimo Minerals Inc. On January 1, 2009, the Company amalgamated with its wholly-owned subsidiary, Limestone Basin Exploration Ltd. The amalgamated company continued to operate as Fort Chimo Minerals Inc. On June 14, 2011, the Company changed its name to Mag Copper Limited. On August 11, 2017, the Company changed its name to Integra Resources Corp. The Company, which is in the development stage, is in the business of acquisition, exploration and development of mineral resource interests. The Company's registered office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1, Canada.

2. BASIS OF PREPARATION

2.1 Going Concern of Operations

These unaudited consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. As at June 30, 2017, the Company had working capital of $763,641 (December 31, 2016 – $862,609 working capital deficiency) had not yet achieved profitable operations, had accumulated losses of $15,409,175 (December 31, 2016 - $15,365,056) and expects to incur future losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and/or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

The Company is in the process of exploring its properties and has not yet determined whether these properties contain economically recoverable reserves. The Company's exploration and development activities are conducted jointly with others and, accordingly, these consolidated financial statements reflect only the Company's share in such activities. The continued operations of the Company and the amounts recoverable on these properties are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements.

The Company's ability to retain the rights to certain of its properties is dependent upon the Company continuing to make option payments and/or meet other commitments.

2. BASIS OF PREPARATION (continued)

2.2 Statement of Compliance

These unaudited interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim condensed consolidated financial statements were authorized by the Board of Directors of the Company on November 3, 2017.

2.3 Basis of Presentation

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2016 annual consolidated financial statements.

2.4 Adoption of New and Revised Standards and Interpretations

New Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet determined the impact of the amendments on the Company's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2017. Application of the standard is mandatory and early adoption is permitted. The Company has not yet determined the impact of the amendments on the Company's consolidated financial statements.

2. BASIS OF PREPARATION (continued)

2.4 Adoption of New and Revised Standards and Interpretations (continued)

New Accounting Pronouncements (continued)

IFRS 16 - In 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), replacing IAS 17, Leases and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15, Revenue from Contracts with Customers ("IFRS 15") has been adopted. The Company has not yet determined the impact of the amendments on the Company's consolidated financial statements.

2.5 Significant Accounting Judgments and Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Management reviews its estimates and judgments on an ongoing basis.

There have been no material revisions to the nature and amount of judgements or estimates as reported in the Company's audited consolidated financial statements for the year ended December 31, 2016.

The significant accounting policies applied in these unaudited interim condensed consolidated financial statements are in accordance with IFRS and follow the same accounting policies and methods as described in the Company's audited consolidated financial statements for the year ended December 31, 2016.

3. CAPITAL MANAGEMENT

The Company's working capital as of June 30, 2017 totaled $763,641 (December 31, 2016 - $862,609 deficit). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The

3. CAPITAL MANAGEMENT (Continued)

ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews is capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash and cash equivalents and other financial assets as FVTPL, which are measured at fair value. Receivables and other assets are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values of receivables and other assets, trade and other payables, and due to related parties are determined from transaction values which were derived from observable market inputs. Fair values of other financial assets are based on Level 1 measurements and the remaining financial instruments are based on Level 2 measurements.

As at June 30, 2017, the carrying and fair value amounts of the Company's financial instruments other than cash and cash equivalents, and other financial assets, which are recorded at fair value, are approximately equivalent due to the relatively short periods to maturity of these investments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the balance sheet.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with a major Canadian bank and therefore the risk of loss is minimal.

b. **Receivables and other assets**– The Company is not exposed to significant credit risk as this amount is due from the Canadian government or has been subsequently collected.

4. FINANCIAL INSTRUMENTS (continued)

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2017, the Company had a working capital of $763,641 (December 31, 2016 – $862,609 working capital deficiency). The Company intends on securing further financing to ensure that the obligations are properly discharged. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Integra may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its some or all of its interests and reduce or terminate its operations therein.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

5. CASH AND CASH EQUIVALENTS

The balance at June 30, 2017, consists of $102,619 (December 31, 2016 - $3,700) on deposit with a major Canadian bank and cash held in trust with the Company's lawyer of $662,250 (December 31, 2016 - $nil) for total cash and cash equivalents of $764,869 (December 31, 2016 - $3,700).

6. OTHER FINANCIAL ASSETS

Other financials assets are comprised of nil (December 31, 2016 – 75,000) shares of Richmond Minerals Inc. ("Richmond"), and nil (December 31, 2016 – 100,000) shares of Surrey Capital Corp., companies traded on the TSX Venture Exchange. As at June 30, 2017, these fair value through profit and loss investments have been measured at their fair value of $nil (December 31, 2016 - $9,625). The impact to the unaudited interim condensed consolidated financial statements of this revaluation to market value resulted in a gain of $nil for the six month period ended June 30, 2017 (2016 – $1,000 gain).

During the six month period ended June 30, 2017, the Company sold 75,000 (2016 – nil) shares of Richmond and 100,000 (2016 – nil) shares of Surrey Capital Corp., for proceeds of $11,859. As a result of the sale, the Company recorded a gain on sale of other financial assets of $2,234 (2016 - $nil) for the six month period ended June 30, 2017.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

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

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

(a) Integra incurred expenses with related parties:

Six months ended June 30,	**Notes**		**2017**		2016
Marco Guidi (former CFO)	(i)	$	12,000	$	12,000
Irwin Lowy (former President)	(ii)	$	30,714	$	27,487

(i) During the six month period ended June 30, 2017, Marco Guidi (former CFO) charged fees of $12,000 (2016 - $12,000) for professional services fees, for CFO services.

(ii) During the six month period ended June 30, 2017, Irwin Lowy (former President) accrued fees of $30,714 (2016 - $27,487) for professional services fees, for President and legal services.

(b) During the year ended December 31, 2013, the Company received loans of $100,000 and $225,000 from Chris Irwin, former President of the Company. The loans are payable on demand and are non-interest bearing. As at June 30, 2017, $nil (December 31, 2016 - $175,000) in loans is owed to Chris Irwin and is included in due to related parties. The debt was sold to a third party during the six month period ended June 30, 2017 and settled into shares as described in Note 10.

(c) On June 8, 2016, the Company settled $412,189 in debt owing to related parties through the issuance of 659,504 common shares. The common shares were valued at $82,438 based on the stock market price on the date of settlement. As a result, the Company recorded a gain on settlement of debt of $329,751 for the year ended December 31, 2016.

(d) At June 30, 2017, amounts included in due to related parties of $35,994 (December 31, 2016 - $785,986) are unsecured, non-interest bearing and due on demand.

(Expressed in Canadian Dollars)

8. RECEIVABLES AND OTHER ASSETS

As at	**June 30, 2017**	December 31, 2016
	$	$
HST receivable	**9,377**	3,804
Share subscriptions receivable (i)	**49,500**	-
Other	**-**	3,193
Total receivables and other assets	**$ 58,877**	$ 6,997

(i) Share subscription receivable is in connection with 360,000 shares issued at $0.14 on the May 25, 2017 private placement described in Note 10.

At June 30, 2017, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables.

The Company holds no collateral for any receivable amounts outstanding as at June 30, 2017.

9. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

As at	**June 30, 2017**	December 31, 2016
Less than one month		$
	$ 1,274	9,620
Over 3 months	**22,837**	87,325
Total trade and other payables	**$ 24,111**	$ 96,945

10. SHARE CAPITAL

Capital Stock

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2017, the total issued and outstanding common shares is 14,815,411 (December 31, 2016: 1,915,801).

Activity during the six months ended June 30, 2017

On January 30, 2017, the Company filed articles of amendment giving effect to the consolidation of its issued and outstanding common shares on a one (1) for five (5) basis. The Consolidation was approved by shareholders at the annual and special meeting held on June 21, 2016.

On March 16, 2017, the Company completed a non-brokered private placement for gross proceeds of $62,402 through the issuance of 499,215 common shares of the Company at a price of $0.13 per common share. The Company has also issued an aggregate of 6,287,735 common shares in settlement of an aggregate of $785,967 of indebtedness at a price of $0.13 per common share. As a result of the debt settlement, Medalist Capital Ltd. has acquired 6,287,735 common shares of the Company representing approximately 72% of the issued and outstanding common shares of the Company on a non-diluted basis.

In connection with the issuance of the common shares subscribed for in the non-brokered offering, the Company has agreed to pay a finder's fee equal to 8% of the aggregate proceeds of the offering to be satisfied through the issuance of 39,935 common shares of the Company. As the amount represents a cost of share issuance recorded against the value of the shares issued, the amount is reported as $nil.

On May 25, 2017, the Company completed a non-brokered private placement for gross proceeds of $835,000 through the issuance of 6,072,725 common shares of the Company at a price of $0.14 per common share.

Subsequent to the end of the period, the Company issued 3,586,000 common shares for gross proceeds of $896,500 and consolidated its shares on a 1 for 2.5 basis.

The Company also issued 32,072,677 subscription receipts for gross proceeds of $27,261,775. Please see Subsequent Events (Note 14).

As required by IFRS, all references to share capital, common shares outstanding and per share amounts in these unaudited interim condensed consolidated financial statements and the accompanying notes have been restated retrospectively to reflect the one for five and the one for two-and-a-half share consolidation. The Company's outstanding options were adjusted on the same basis as the common shares, with proportionate adjustment being made to the exercise prices.

Activity during the year ended December 31, 2016

On June 8, 2016, the Company settled $412,189 in debt owing to related parties through the issuance of 659,504 common shares. The common shares were valued at $82,438 based on the stock market price on the date of settlement. As a result, the Company recorded a gain on settlement of debt of $329,751 for the year ended December 31, 2016.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

Stock Options

The Company has an incentive stock option plan ("the Plan") whereby the Company can grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The 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. As at June 30, 2017, the Company had 1,446,342 (December 31, 2016 – 138,780) options available for issuance.

The Plan provides that it is solely within the discretion of the Board to determine who would receive stock options and in what amounts. In no case (calculated at the time of grant) shall the Plan result in:

- The aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Company;
- The maximum number of options which may be reserved for issuance to insiders of the Company shall not exceed 10% of the outstanding shares of the Company;
- The maximum number of options which may be issued to any insider of the Company, together with any previously established or proposed share compensation arrangements, within a 12-month period shall not exceed 5% of the outstanding shares of the Company.
- The maximum number of options, which may be issued to insiders of the Company, together with any previously established or proposed share compensation arrangements within a 12-month period shall not exceed 10% of the outstanding shares of the Company.

	June 30, 2017			December 31, 2016		
	Options		**Weighted Average Exercise price**	Options		Weighted Average Exercise price
Outstanding at beginning of period/year	**52,800**	**$**	**6.25**	52,800	$	6.25
Granted	**-**		**-**	-		-
Forfeited/Expired	**(17,600)**		**12.50**	-		-
Outstanding at end of period/year	**35,200**	**$**	**3.13**	52,800	$	6.25

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

The following table provides additional information about outstanding stock options at June 30, 2017:

Exercise Price	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	No. of Options Currently Exercisable	Weighted Average Exercise Price – Exercisable Options	Expiration Date
$ 3.13	32,000	0.87	$ 3.13	32,000	$ 3.13	May 14, 2018
$ 3.13	3,200	1.93	$ 3.13	3,200	$ 3.13	June 6, 2019
$ 3.13	**35,200**	**0.97**	**$ 3.13**	**35,200**	**$ 3.13**	

Warrants

As at June 30, 2017 and December 31, 2016, there are no warrants outstanding.

11. RESERVE FOR WARRANTS

A summary of the changes in the Company’s reserve for warrants for the six month period ended June 30, 2017 and year ended December 31, 2016 is set out below:

	June 30, 2017	December 31, 2016
Balance at beginning and end of period/year	**$ 406,000**	$ 406,000

12. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company’s reserve for share based payments for the six month period ended June 30, 2017 and year ended December 31, 2016 is set out below:

	June 30, 2017	December 31, 2016
Balance at beginning and end of period/year	**$ 525,620**	$ 525,620

13. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company’s exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

14. SUBSEQUENT EVENTS

On August 2, 2017, the Company completed a non-brokered private placement for gross proceeds of $896,500 through the issuance of 3,586,000 common shares of the Company at a price of $0.25 per Common Share.

On August 17, 2017, the Company announced that it has filed articles of amendment to effect the name change to Integra Resources Corp., and a share consolidation on a 1 to 2.5 basis approved by shareholders of the Company at its annual and special meeting held on July 6, 2017. The share consolidation reduces the number of outstanding Common Shares from 46,003,540 to approximately 18,401,411. No fractional Common Shares will be issued pursuant to the Consolidation and any fractional Common Shares that would have otherwise been issued have been rounded down to the nearest whole number and cancelled.

On September 19, 2017, the Company announced that it will acquire 100% of the DeLamar Gold and Silver Project ("DeLamar" or the "Project") from a wholly-owned subsidiary of Kinross Gold Corporation ("Kinross") for C$7.5 million in cash and the issuance of Integra shares that is equal to 9.9% of all of the issued and outstanding Integra shares upon closing of the transaction. The DeLamar project is subject to a retained variable net smelter return ("NSR") royalty payable to Kinross.

On October 10, 2017, the Company announced that it has completed an initial resource estimate for the DeLamar project.

On October 30, 2017, Integra closed a C$27.3 million brokered financing. The Company issued 32,072,677 subscription receipts at a price of $0.85 per subscription receipt, which were converted into shares upon closing of the Delamar acquisition. The Company paid the agents a cash commission equal to 6% of the gross proceeds, and issued broker warrants equal to 6% of the number of subscription receipts sold under the offering, excluding President's list subscription receipts. The Company issued a total 1,793,488 Broker Warrants and each Broker Warrant shall entitle the holder thereof to subscribe for one common share of the Company at a price per share equal to the Issue Price for a period of 18 months from the Closing Date.

On November 3, 2017, Integra closed the acquisition of the DeLamar Project from Kinross for C$7.5 million in cash (C$3.0 million paid a closing and $4.5 million to be paid in 18 months) and the issuance of 5,545,987 Integra shares, which is equal to 9.9% of all of the issued and outstanding Integra shares upon closing of the transaction. The DeLamar Project is subject to a retained variable net smelter return ("NSR") royalty payable to Kinross.

On November 3, 2017 the Company appointed David Awram to its board of directors and accepted the resignation of Chris Irwin. The Company also appointed Randall Oliphant as advisor to the Board. The Company also announced that it has granted 4,150,000 options to directors, management and employees.

Subsequent to June 30, 2017 a total of 24,000 options expired unexercised.