

FINLAY MINERALS LTD.

Condensed Interim Financial Statements
Third Quarter ended September 30, 2017

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These interim financial statements of the Company for the period ending September 30, 2017 have been prepared by management and have not been subject to review by the Company's auditors.

FINLAY MINERALS LTD.Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	September 30, 2017	December 31, 2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	210,419	144,424
Amounts receivable	6,730	2,806
Prepaid expenses	4,084	3,043
	221,233	150,273
Reclamation deposits	82,200	57,200
Mineral properties (note 3)	7,923,272	7,901,920
	8,226,705	8,109,393
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	74	8,295
Due to related parties (note 5)	1,104	6,062
	1,178	14,357
Non-current liability		
Deferred income taxes	1,493,984	1,507,953
	1,495,162	1,522,310
Equity		
Share capital (note 6)	8,265,078	8,068,018
Contributed surplus	1,205,502	1,205,502
Deficit	(2,739,037)	(2,686,437)
	6,731,543	6,587,083
	8,226,705	8,109,393

See accompanying notes to the condensed interim financial statements

Approved by the Board of Directors and authorized for issue on November 29, 2017.

"Robert F. Brown"

Robert Brown, Director

"John Barakso"

John Barakso, Chairman of the Board & Director

FINLAY MINERALS LTD.

Condensed Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
	\$	\$	\$	\$
Operating costs and expenses				
Advertising and promotion	961	843	9,194	2,830
Bank charges and interest	63	73	382	378
Insurance	1,001	1,001	3,004	3,004
Legal and accounting	2,102	2,488	10,578	8,309
Office and administration	2,027	2,522	8,031	6,468
Rent	5,705	2,932	14,263	8,795
Shareholder relations	-	-	176	-
Share based compensation	-	90,212	-	90,212
Telephone	292	231	786	701
Travel and accommodation	-	672	4,699	1,708
Trust and filing fees	3,956	3,837	15,782	15,852
Loss before other item	(16,107)	(104,811)	(66,895)	(138,257)
Interest income	7	7	326	348
Loss before tax	(16,100)	(104,804)	(66,569)	(137,909)
Future income tax recovery	7,160	5,796	13,969	14,403
Net loss and comprehensive loss for the period	(8,940)	99,008	(52,600)	(123,506)
Weighted average number of common shares outstanding	71,003,737	68,781,515	69,514,116	66,579,742
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

See accompanying notes to the condensed interim financial statements

FINLAY MINERALS LTD.

Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
	\$	\$
Cash provided by (used for):		
Operating activities		
Net loss for the period	(52,600)	(123,506)
Item not involving the use of cash		
Future income tax recovery	(13,969)	(14,403)
Share based compensation	-	90,212
	(66,569)	(47,697)
Changes in non-cash operating capital:		
Amounts receivable	(3,924)	(1,620)
Prepaid expenses	(1,041)	(1,001)
Accounts payable and accrued liabilities	(8,221)	10,460
Due to related parties	(4,957)	-
	(84,712)	(39,858)
Investing activity		
Reclamation Deposits	(25,000)	
Mineral property costs	(21,352)	(34,682)
	(46,352)	(34,682)
Financing activity		
Cash from shares issued	200,000	205,000
Share issue costs	(2,940)	(7,700)
	197,060	197,300
Increase in cash and cash equivalents	65,995	122,759
Cash and cash equivalents, beginning of the period	144,424	56,691
Cash and cash equivalents, end of the period	210,419	179,450
<i>Cash and cash equivalents consist of:</i>		
Cash	198,161	167,192
Short-term deposits	12,258	12,258
	210,419	179,450

See accompanying notes to condensed interim financial statements

Supplementary disclosure:

During the nine month period ended September 30, 2017, the company received \$326 (2016 - \$348) in interest and accrued \$1,178 (2016 - \$12,416) in exploration expenditures in accounts payable and accrued liabilities and due to related parties.

FINLAY MINERALS LTD.

Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital	Contributed surplus	Deficit	Total Equity
		\$	\$	\$	\$
December 31, 2016	68,781,515	8,068,018	1,205,502	(2,686,437)	6,587,083
Share based compensation	-	-	-	-	-
Private Placement	3,333,333	200,000	-	-	200,000
Share issue costs	-	(2,940)	-	-	(2,940)
Net loss for the period	-	-	-	(52,600)	(52,600)
September 30, 2017	72,114,848	8,265,078	1,205,502	(2,739,037)	6,731,543
December 31, 2015	62,924,372	7,870,718	1,115,290	(2,550,025)	6,435,983
Share based compensation	-	-	90,212	-	90,212
Private Placement	5,857,143	205,000	-	-	205,000
Share issue costs	-	(7,700)	-	-	(7,700)
Net loss for the period	-	-	-	(123,506)	(123,506)
September 30, 2016	68,781,515	8,068,018	1,205,502	(2,673,531)	6,599,989

See accompanying notes to condensed interim financial statements

FINLAY MINERALS LTD.

Notes to the Condensed Interim Financial Statements
Nine months ended September 30, 2017
(Unaudited - Expressed in Canadian dollars)

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act (British Columbia) and its principal business activity is the acquisition and exploration of resource properties. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search. There is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is not possible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Although the Company has taken steps to verify title to resource properties 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 and noncompliance with regulatory requirements.

These financial statements have been prepared on the going-concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses since inception and a loss for the nine months ended September 30, 2017 of \$52,600 (2016 - \$137,909), has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The application of the going-concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going-concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Management plans to continue to pursue equity or debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going-concern will be impaired. The outcome of these matters cannot be predicted at this time.

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 interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, these Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its most recent annual financial statements for the year ended December 31, 2016.

FINLAY MINERALS LTD.

Notes to the Condensed Interim Financial Statements
Nine months ended September 30, 2017
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2) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements.

- Impairment

The Company considers both external and internal sources of information in assessing whether there are any indicators that mineral interests are impaired. External sources of information include changes in the market, and the economic and legal environment in which the Company operates. Internal sources of information include the manner in which mineral interests are being used or are expected to be used. Management has assessed impairment indicators on the Company's mineral interests and has concluded that no impairment indicators existed as of September 30, 2017.

c) Significant accounting policies

These interim financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements of the Company for the year ended December 31, 2016. The disclosure contained in these interim financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements ("IAS 1"). Accordingly these interim financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2016.

There are no other IFRS or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

3) EXPLORATION AND EVALUATION EXPENDITURES

Omineca Mining Division British Columbia

Silver Hope Claims

The Company has a 100% interest in 30 mineral tenures, eight of which are subject to a 1½% Net Smelter Returns royalty ("NSR"), and were acquired during 2006 by the issue of two million common shares. One half of the NSR (3/4 %) is purchasable prior to a production decision for one million dollars.

Atty and Pil-Gold Claims

The Company has a 100% interest in 52 mineral tenures (formerly 376 mineral claim units) of which 23 mineral claims were acquired from a private company controlled by a director of the Company with consideration for the issuance to that private company of nine million common shares (post subdivision) and a 3% NSR. The Company is also obligated to issue a further two million shares to this private company when the property is put into commercial production and may also, prior to that date, purchase a 1½ % NSR (½ of the 3% NSR) for two million dollars.

FINLAY MINERALS LTD.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

3) EXPLORATION AND EVALUATION EXPENDITURES (continued)

	December 31, 2015	Net Additions	December 31, 2016	Net Additions	September 30, 2017
	\$	\$	\$	\$	\$
BRITISH COLUMBIA					
Silver Hope Claims					
Acquisition	166,873	-	166,873	-	166,873
Assay, IP and linecutting	176,070	206	176,276	203	176,479
Camp and travel	110,436	-	110,436	1,579	112,015
Drilling	1,274,952	-	1,274,952	-	1,274,952
Equipment rental	31,387	-	31,387	75	31,462
Field office	10,630	-	10,630	2,286	12,916
Geological and geophysical	803,614	-	803,614	1,170	804,784
Road construction	45,239	-	45,239	-	45,239
Tenure management	35,637	976	36,613	-	36,613
BCMETC refund	(19,495)	-	(19,495)	-	(19,495)
	2,635,343	1,182	2,636,525	5,313	2,641,838
Atty and Pil Claims					
Acquisition	29,076	-	29,076	-	29,076
Assay, IP and linecutting	258,122	5,134	263,256	2,398	265,654
Camp and travel	1,036,884	16,248	1,053,132	10,838	1,063,970
Drilling	1,466,687	-	1,466,687	-	1,466,687
Equipment rental	130,483	944	131,427	-	131,427
Field office	117,449	28	117,477	31	117,508
Geological and geophysical	1,731,666	30,060	1,761,726	18,622	1,780,348
Road construction	392,273	-	392,273	-	392,273
Tenure management	54,684	333	55,017	-	55,017
BCMETC refund	(432)	(4,244)	(4,676)	(15,849)	(20,525)
	5,216,892	48,503	5,265,395	16,040	5,281,435
Total exploration and evaluation expenditures	7,852,235	49,685	7,901,920	21,353	7,923,273

4) RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	Nine Months Ended September 30, 2017	Year Ended December 31, 2016
	\$	\$
Share based compensation	-	80,750
Mineral property geological consulting	12,139	14,078

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties.

5) DUE TO RELATED PARTIES

At September 30, 2017, the Company owes private companies owned by a director and the Company's Chairman of the Board \$1,104 (December 31, 2016 - \$Nil). The amounts are unsecured, do not bear interest and have no fixed terms of repayment.

FINLAY MINERALS LTD.

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(Unaudited - Expressed in Canadian dollars)

6) SHARE CAPITAL

- a) The authorized share capital of the Company consists of: an unlimited number of common shares.
100,000,000 Class A preference shares
100,000,000 Class B preference shares

	Nine Months Ended September 30, 2017		Year Ended December 31, 2016	
	Number of Shares	\$	Number of Shares	\$
Opening balance	68,781,515	8,068,018	62,924,372	7,870,718
Issued for:				
Private placements	3,333,333 ⁽³⁾	197,060 ⁽⁴⁾	5,857,143 ⁽¹⁾	197,300 ⁽²⁾
Ending balance	72,114,848	8,068,018	68,781,515	8,068,018

(1) Consists of 5,857,143 shares.

(2) Net of issue costs of \$7,700.

(3) Consists of 3,333,333 shares.

(4) Net of issue costs of \$2,940.

- b) Share purchase options

The following is a summary of the changes in the Company's outstanding stock options:

	Nine Months Ended September 30, 2017		Year Ended December 31, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the period	3,650,000	0.09	3,450,000	0.17
Granted	-	-	1,900,000	0.05
Expired	(1,750,000)	0.14	(1,700,000)	0.20
Balance, end of the period	1,900,000	0.05	3,650,000	0.09
Exercisable, end of the period	1,900,000	0.05	3,650,000	0.09
Weighted average years to expiry		3.79		2.60

- c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	Nine Months Ended September 30, 2017		Year Ended December 31, 2016	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Balance, beginning of the period	7,886,905	0.08	4,958,333	0.10
Issued	1,666,666	0.10	2,928,572	0.05
Expired	(3,000,000)	0.10	-	-
Balance, end of the period	6,553,571	0.08	7,886,905	0.08
Weighted average years to expiry		1.01		0.96

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6) CAPITAL MANAGEMENT

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

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

The Company currently has no externally-imposed capital requirements.

7) SUBSEQUENT EVENTS TO THE REPORTING PERIOD

On November 15, 2017, the Company announced that, pursuant to the Company's 10% Rolling Stock Option Plan, as approved by its shareholders, the Company has granted stock options exercisable for the issuance of up to 1,750,000 common shares of the Company. The Stock Options are exercisable at a price of \$0.10 per share for a period of five years, expiring on November 15, 2022.

The above-noted stock option grant brings the Company's issued and outstanding stock options to 3,650,000.

The Stock Options and any common shares of the Company issued upon exercise of the Stock Options are subject to a four month resale restriction from the grant date of the Stock Options.

On November 27, 2017, the Company announced a non-brokered flow-through private placement to raise gross proceeds of up to \$1,000,000 (the "**FT Financing**") and a concurrent non-brokered non-flow-through private placement to raise gross proceeds of up to \$250,000 (the "**NFT Financing**").

The FT Financing will consist of up to 7,142,857 units; each unit will consist of one common share of the Company, on a flow-through basis (a "**FT Share**") and one-half of one share purchase warrant, at a price of \$0.14 per unit. The NFT Financing will consist of up to 2,083,333 units; each unit will consist of one common share of the Company, on a non-flow through basis (a "**NFT Share**") and one full share purchase warrant, at a price of \$0.12 per unit.

Each whole common share purchase warrant (a "**Warrant**") will be exercisable for the purchase of an additional common share of the Company, on a non-flow through basis (each, a "**Warrant Share**") for a term of 48 months at an exercise price of \$0.20 per share. In the event the common shares of the Company close at a price of not less than \$0.30 per share for at least 20 consecutive trading days at any time beginning four months and one day after the date of issuance of the Warrants, the term of the Warrants may be accelerated upon written notice from the Company. Upon such notice being provided, the holders of the Warrants will have 30 days to exercise the Warrants, failing which they will expire and be of no further force or effect.

The proceeds of the financing will be used to fund deep induced polarization (IP) geophysics and deep drilling on its Silver Hope Property, to fund deep IP on its ATTY Property and for general working capital.

Finder's fees of up to 6% may be paid on portions of the private placement made by third parties who are introduced by the finder/broker.

FINLAY MINERALS LTD.

Notes to the Condensed Interim Financial Statements

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(Unaudited - Expressed in Canadian dollars)

Closing of the private placement is expected to occur on or about December 18, 2017 and is subject to receipt of regulatory approvals, including the approval of the TSX Venture Exchange. The FT Shares, the NFT Shares, the Warrants, any Warrant Shares and any securities issued in payment of finder's fees will be subject to a four-month hold period that will run from the date of issuance.