FINLAY MINERALS LTD.

Condensed Interim Financial Statements

Second Quarter ended June 30, 2017

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

FINLAY MINERALS LTD.

Condensed Balance Sheets
(Unaudited - Expressed in Canadian Dollars)

	June 30, 2017	December 31, 2016
	$	$
Assets		
Current assets		
Cash and cash equivalents	47,859	144,424
Amounts receivable	4,490	2,806
Prepaid expenses	1,040	3,043
	53,389	150,273
Reclamation deposits	82,200	57,200
Mineral properties (note 3)	7,912,317	7,901,920
	8,047,906	8,109,393
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	2,062	8,295
Due to related parties (note 5)	729	6,062
	2,791	14,357
Non-current liability		
Deferred income taxes	1,499,434	1,507,953
	1,502,225	1,522,310
Equity		
Share capital (note 6)	8,068,018	8,068,018
Contributed surplus	1,205,502	1,205,502
Deficit	(2,727,840)	(2,686,437)
	6,545,681	6,587,083
	8,047,906	8,109,393

See accompanying notes to the condensed interim financial statements

Approved by the Board of Directors and authorized for issue on August 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) Income
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
	$	$	$	$
Operating costs and expenses				
Advertising and promotion	1,678	1,536	8,693	1,986
Bank charges and interest	105	156	320	305
Insurance	1,001	1,001	2,003	2,003
Legal and accounting	4,437	5,321	8,476	5,821
Shareholder Relations	-	-	176	-
Office and administration	3,022	2,406	5,858	3,946
Rent	5,705	2,932	8,557	5,863
Telephone	247	238	495	470
Travel and accommodation	597	996	3,836	1,036
Trust and filing fees	5,738	4,263	11,826	12,015
Loss before other item	(22,530)	(18,849)	(50,240)	(33,445)
Interest income	169	154	319	340
Loss before tax	(22,361)	(18,695)	(49,921)	(33,105)
Future income tax recovery	1,710	4,860	8,519	8,607
Net income (loss) and comprehensive income (loss) for the period	(20,651)	(13,835)	(41,402)	(24,498)
Weighted average number of common shares outstanding	68,781,515	68,009,144	68,781,515	65,766,458
Basic and diluted income (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

See accompanying notes to the condensed interim financial statements

FINLAY MINERALS LTD.

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

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
	$	$
Cash provided by (used for):		
Operating activities		
Net loss for the period	(41,402)	(24,498)
Item not involving the use of cash		
Future income tax recovery	(8,519)	(8,607)
	(49,921)	(33,105)
Changes in non-cash operating capital:		
Amounts receivable	(1,684)	(523)
Prepaid expenses	2,003	2,003
Accounts payable and accrued liabilities	(6,233)	5,774
Due to related parties	(5,333)	-
	(61,168)	(25,851)
Investing activity		
Reclamation costs	(25,000)	-
Mineral property costs	(10,397)	3,266
	(35,397)	3,266
Financing activity		
Cash from shares issued	-	205,000
Share issue costs	-	(7,700)
	-	197,300
(Decrease) increase in cash and cash equivalents	(96,565)	168,182
Cash and cash equivalents, beginning of the period	144,424	56,691
Cash and cash equivalents, end of the period	47,859	224,873
Cash and cash equivalents consist of:		
Cash	35,601	212,615
Short-term deposits	12,258	12,258
	47,859	224,873

See accompanying notes to condensed interim financial statements

Supplementary disclosure:

During the six month period ended June 30, 2017, the company received $319 (2016 - $340) in interest and accrued $729 (2016 – $0) in exploration expenditures in accounts payable and accrued liabilities and due to related parties.

FINLAY MINERALS LTD.

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
Net loss for the period	-	-	-	(41,402)	(41,402)
June 30, 2017	68,781,515	8,068,018	1,205,502	(2,727,839)	6,545,681
December 31, 2015	62,924,372	7,870,718	1,115,290	(2,550,025)	6,435,983
Private Placement	5,857,143	205,000	1,115,290	-	205,000
Share issue costs	-	(7,700)	-	-	(7,700)
Net loss for the period	-	-	-	(24,498)	(24,498)
June 30, 2016	68,781,515	8,068,018	1,115,290	(2,574,523)	6,608,785

See accompanying notes to condensed interim financial statements

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 three months ended June 30, 2017 of $41,402 (2016 - $24,498), 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.

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 June 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 Claims

The Company has a 100% interest in 52 mineral claims of which 23 mineral claims were acquired from a private company controlled by a director of the Company, in 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.

(Unaudited - Expressed in Canadian dollars)

3) EXPLORATION AND EVALUATION EXPENDITURES (*continued*)

	December 31, 2015	Net Additions	December 31, 2016	Net Additions	June 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	-	110,436
Drilling	1,274,952	-	1,274,952	-	1,274,952
Equipment rental	31,387	-	31,387	-	31,387
Field office	10,630	-	10,630	-	10,630
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	1,373	2,637,898
Atty and Pil Claims					
Acquisition	29,076	-	29,076	-	29,076
Assay, IP and linecutting	258,122	5,134	263,256	1,944	265,200
Camp and travel	1,036,884	16,248	1,053,132	960	1,054,092
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	-	117,477
Geological and geophysical	1,731,666	30,060	1,761,726	6,120	1,767,846
Road construction	392,273	-	392,273	-	392,273
Tenure management	54,684	333	55,017	-	55,017
BCMETC refund	(432)	(4,244)	(4,676)	-	(4,676)
	5,216,892	48,503	5,265,395	9,024	5,274,419
Total exploration and evaluation expenditures	7,852,235	49,685	7,901,920	10,397	7,912,317

4) RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	6 Months Ended June 30, 2017	Year Ended December 31, 2016
	$	$
Share-based compensation	-	80,750
Mineral property geological consulting	5,640	14,378

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 June 30, 2017, the Company owes a director and the Company's Chairman of the Board $729 (December 31, 2016 - $Nil) for administrative expenses. The amounts are unsecured, do not bear interest and have no fixed terms of repayment.

(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

	6 Months Ended June 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	-	-	5,857,143	205,000
Share issue costs	-	-	-	(7,700)
Ending balance	68,781,515	8,068,018	68,781,515	8,068,018

b) Share purchase options

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

	6 Months Ended June 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 year	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 year	1,900,000	0.05	3,650,000	0.09
Exercisable, end of the year	1,900,000	0.05	3,650,000	0.09
Weighted average years to expiry		4.04		2.60

(Unaudited - Expressed in Canadian dollars)

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	6 Months Ended June 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 year	7,886,905	0.08	4,958,333	0.10
Issued	-	-	2,928,572	0.05
Expired	(3,000,000)	0.10	-	-
Balance, end of the year	4,886,905	0.07	7,886,905	0.08
Weighted average years to expiry		0.98		0.96

The Company has no Agents' Warrants or Agents' Options outstanding.

7) 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.

8) SUBSEQUENT EVENTS TO THE REPORTING PERIOD

On August 2, 2017 the Company closed a non-brokered private placement financing issuing a total of 3,333,333 units at $0.06 per unit for gross proceeds of $200,000. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable for the purchase of an additional common share for a term of 24 months at an exercise price of $0.10 per common share. The warrant term will be accelerated upon written notice from the Company, in the event that 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. 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.