



**FIRST MINING  
GOLD**

**First Mining Gold Corp.**

(formerly known as First Mining Finance Corp.)

**Condensed Interim Consolidated Financial Statements  
For the three months ended March 31, 2018 and 2017  
(Expressed in thousands of Canadian dollars unless otherwise noted)  
(Unaudited)**

**FIRST MINING GOLD CORP.**

(formerly known as First Mining Finance Corp.)

## INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2018 AND DECEMBER 31, 2017

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 12,289	\$ 15,400
Accounts and other receivables	320	435
Prepaid expenditures	573	372
Marketable securities (Note 3)	4,255	4,277
<b>Total current assets</b>	<b>17,437</b>	<b>20,484</b>
<b>Non-current</b>		
Mineral properties (Note 4)	243,895	239,871
Mineral property investments (Note 5)	4,417	4,417
Property and equipment	753	772
Reclamation deposit	116	116
Accounts and other receivables	86	77
<b>Total non-current assets</b>	<b>249,267</b>	<b>245,253</b>
<b>TOTAL ASSETS</b>	<b>\$ 266,704</b>	<b>\$ 265,737</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 1,421	\$ 1,083
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	274,679	272,501
Warrant and share-based payment reserve (Note 7)	29,681	27,607
Accumulated other comprehensive loss	(3,914)	(4,043)
Accumulated deficit	(35,163)	(31,411)
<b>Total shareholders' equity</b>	<b>265,283</b>	<b>264,654</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 266,704</b>	<b>\$ 265,737</b>

Subsequent events (Note 12)

The consolidated financial statements were approved by the Board of Directors:

Signed: "Keith Neumeyer", Director

Signed: "Raymond Polman", Director

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

**FIRST MINING GOLD CORP.**

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## INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

	<b>Three months ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>EXPENDITURES</b> (Note 8)		
General and administration	\$ 2,436	\$ 4,030
Exploration and evaluation	268	1,264
Investor relations and marketing communications	736	1,080
Corporate development and due diligence	327	287
Loss from operational activities	(3,767)	(6,661)
<b>OTHER ITEMS</b>		
Foreign exchange gain (loss)	2	(32)
Interest and other expenses	(45)	(63)
Interest and other income	58	103
<b>Net loss for the period</b>	<b>\$ (3,752)</b>	<b>\$ (6,653)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Items that will not be reclassified to net loss:</i>		
Marketable securities fair value loss (Note 3)	(22)	(1,243)
<i>Items that may be reclassified to net loss:</i>		
Currency translation adjustment	151	(24)
Other comprehensive income (loss)	129	(1,267)
<b>Total comprehensive loss for the period</b>	<b>\$ (3,623)</b>	<b>\$ (7,920)</b>
Basic and diluted loss per share (in dollars)	\$ (0.01)	\$ (0.01)
<b>Weighted average number of shares outstanding – Basic and Diluted</b>	<b>556,009,949</b>	<b>541,710,089</b>

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

**FIRST MINING GOLD CORP.**

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**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

	Three months ended March 31,	
	2018	2017
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (3,752)	\$ (6,653)
Adjustments for:		
Depreciation	54	73
Unrealized foreign exchange loss	3	25
Share-based payments (Note 7(d))	2,528	5,294
Accrued interest receivable and other income	-	(44)
Accrued interest payable and other expenses	42	60
<b>Operating cash flows before movements in working capital</b>	<b>(1,125)</b>	<b>(1,245)</b>
Changes in non-cash working capital items:		
Decrease (increase) in accounts and other receivables	102	(213)
Increase in prepaid expenditures	(250)	(43)
Increase in accounts payables and accrued liabilities	381	633
<b>Total cash used in operating activities</b>	<b>(892)</b>	<b>(868)</b>
<b>Cash flows from investing activities</b>		
Property and equipment purchases	(34)	(192)
Mineral property expenditures	(3,044)	(3,397)
Purchase of marketable securities	-	(473)
Cash expended in acquisitions	-	(250)
<b>Total cash used in investing activities</b>	<b>(3,078)</b>	<b>(4,312)</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of warrants and stock options	836	352
Repayments of loans payable	-	(233)
<b>Total cash provided by financing activities</b>	<b>836</b>	<b>119</b>
Foreign exchange effect on cash	23	(17)
<b>Change in cash and cash equivalents</b>	<b>(3,111)</b>	<b>(5,078)</b>
<b>Cash and cash equivalents, beginning</b>	<b>15,400</b>	<b>33,157</b>
<b>Cash and cash equivalents, ending</b>	<b>\$ 12,289</b>	<b>\$ 28,079</b>

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**FIRST MINING GOLD CORP.**

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## INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

	Number of common shares	Capital stock	Warrant reserve	Share-based payment reserve	Accumulated other comprehensive loss	Accumulated deficit	Total
<b>Balance as at December 31, 2016</b>	<b>539,439,736</b>	<b>\$ 262,876</b>	<b>\$ 15,361</b>	<b>\$ 8,582</b>	<b>\$ (364)</b>	<b>\$ (20,227)</b>	<b>266,228</b>
Shares issued on acquisition of mineral properties	2,700,000	2,430	-	-	-	-	2,430
Exercise of options	483,234	304	-	(125)	-	-	179
Exercise of warrants	845,263	418	(244)	-	-	-	174
Share-based payments	-	-	-	5,294	-	-	5,294
Loss for the period	-	-	-	-	-	(6,653)	(6,653)
Other comprehensive loss	-	-	-	-	(1,267)	-	(1,267)
<b>Balance as at March 31, 2017</b>	<b>543,468,233</b>	<b>\$ 266,028</b>	<b>\$ 15,117</b>	<b>\$ 13,751</b>	<b>\$ (1,631)</b>	<b>\$ (26,880)</b>	<b>266,385</b>
<b>Balance as at December 31, 2017</b>	<b>552,547,616</b>	<b>\$ 272,501</b>	<b>\$ 15,007</b>	<b>\$ 12,600</b>	<b>\$ (4,043)</b>	<b>\$ (31,411)</b>	<b>264,654</b>
Exercise of options (Note 7(d))	164,000	71	-	(44)	-	-	27
Exercise of warrants (Note 7(c))	4,760,000	2,107	(1,298)	-	-	-	809
Share-based payments	-	-	-	3,416	-	-	3,416
Loss for the period	-	-	-	-	-	(3,752)	(3,752)
Other comprehensive income	-	-	-	-	129	-	129
<b>Balance as at March 31, 2018</b>	<b>557,471,616</b>	<b>\$ 274,679</b>	<b>\$ 13,709</b>	<b>\$ 15,972</b>	<b>\$ (3,914)</b>	<b>\$ (35,163)</b>	<b>265,283</b>

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

**FIRST MINING GOLD CORP.**

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

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**1. NATURE OF OPERATIONS**

First Mining Gold Corp. (formerly First Mining Finance Corp.) (the “Company” or “First Mining”) was incorporated on April 4, 2005. The Company changed its name to First Mining Gold Corp in January 2018.

The Company is primarily in the business of acquiring, exploring and developing North American mineral properties, focusing on gold projects. These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. The following table highlights the Company’s material subsidiaries together with their projects:

<b>Name of the subsidiary</b>	<b>Ownership Percentage</b>	<b>Project</b>	<b>Location</b>
Gold Canyon Resources Inc.	100%	Springpole Gold Project (“Springpole”)	Northern Ontario, Canada
Goldlund Resources Inc.	100%	Goldlund Gold Project (“Goldlund”)	Northern Ontario, Canada
Coastal Gold Corp.	100%	Hope Brook Gold Project (“Hope Brook”)	Newfoundland, Canada
Cameron Gold Operations Ltd.	100%	Cameron Gold Project (“Cameron”)	Northern Ontario, Canada
PC Gold Inc.	100%	Pickle Crow Gold Project (“Pickle Crow”)	Northern Ontario, Canada
Clifton Star Resources Inc.	100%	Duquesne Gold Project (“Duquesne”) 10% indirect interest in the Duparquet Gold Project (“Duparquet”) Pitt Gold Project (“Pitt”)	Québec, Canada

First Mining is a public company which is listed on the Toronto Stock Exchange (the “TSX”) under the symbol “FF”, on the OTCQX under the symbol “FFMGF”, and on the Frankfurt Stock Exchange under the symbol “FMG”.

The Company’s head office and principal address is located at Suite 1800 – 925 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3L2.

**2. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with, International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”) using policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2017 except for the following: the Company has adopted IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (“IFRIC 22”) which is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRIC 22 did not have a material impact on the Company’s condensed interim consolidated financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2017, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

**2. BASIS OF PRESENTATION (continued)**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss or fair value through other comprehensive income (loss), which are stated at their fair value. The condensed interim consolidated financial statements are presented in thousands of Canadian dollars unless otherwise noted. The functional currency of the Company's Canadian entities is the Canadian dollar while the functional currency of the Company's non-Canadian subsidiaries is the US dollar.

The use of judgments, estimates and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These consolidated annual financial statements were approved by the Board of Directors on May 4, 2018.

**3. MARKETABLE SECURITIES**

The movements in marketable securities during the three months ended March 31, 2018 and year ended December 31, 2017 are summarized as follows:

	Silver One Resources Inc.	Other Marketable Securities	Total
<b>Balance as at December 31, 2017</b>	<b>\$ 2,280</b>	<b>\$ 1,997</b>	<b>\$ 4,277</b>
Loss recorded in other comprehensive loss	(240)	218	(22)
<b>Balance as at March 31, 2018</b>	<b>\$ 2,040</b>	<b>\$ 2,215</b>	<b>\$ 4,255</b>

	Silver One Resources Inc.	Other Marketable Securities	Total
<b>Balance as at December 31, 2016</b>	<b>\$ 5,280</b>	<b>\$ 567</b>	<b>\$ 5,847</b>
Purchases	-	1,829	1,829
Loss recorded in other comprehensive loss	(3,000)	(399)	(3,399)
<b>Balance as at December 31, 2017</b>	<b>\$ 2,280</b>	<b>\$ 1,997</b>	<b>\$ 4,277</b>

The Company holds marketable securities as strategic investments and has less than 10% equity interest in each of the investees.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited)

**4. MINERAL PROPERTIES**

As at March 31, 2018 and December 31, 2017, the Company has capitalized the following acquisition, exploration and evaluation costs on its mineral properties:

	Balance December 31, 2017	Acquisition	Concessions, taxes, and royalties	Wages and salaries	Drilling, exploration, and technical consulting	Assaying, field supplies, and environmental	Travel and other expenditures	Total expenditures	Currency translation adjustments	Balance March 31, 2018
Springpole	\$ 70,398	\$ -	\$ 45	\$ 456	\$ 305	\$ 125	\$ 262	\$ 1,193	\$ -	\$ 71,591
Goldlund	93,807	-	2	445	656	305	104	1,512	-	95,319
Hope Brook	18,665	-	121	190	29	67	8	415	-	19,080
Cameron	26,676	-	31	124	2	8	2	167	-	26,843
Pickle Crow	16,496	-	37	18	2	-	1	58	-	16,554
Duquesne	5,053	-	4	4	1	-	-	9	-	5,062
Pitt	2,080	-	-	-	-	-	-	-	-	2,080
Others <sup>(1)</sup>	2,515	-	-	-	1	2	-	3	-	2,518
<b>Canada Total</b>	<b>\$ 235,690</b>	<b>\$ -</b>	<b>\$ 240</b>	<b>\$ 1,237</b>	<b>\$ 996</b>	<b>\$ 507</b>	<b>\$ 377</b>	<b>\$ 3,357</b>	<b>\$ -</b>	<b>\$ 239,047</b>
Miranda	810	-	48	15	2	1	-	66	24	900
Socorro	782	-	107	4	-	-	-	111	24	917
San Ricardo	969	-	140	2	-	-	1	143	30	1,142
Others <sup>(2)</sup>	922	-	198	15	7	-	-	220	30	1,172
<b>Mexico Total</b>	<b>\$ 3,483</b>	<b>\$ -</b>	<b>\$ 493</b>	<b>\$ 36</b>	<b>\$ 9</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 540</b>	<b>\$ 108</b>	<b>\$ 4,131</b>
USA	698	-	-	-	-	-	-	-	19	717
<b>Total</b>	<b>\$ 239,871</b>	<b>\$ -</b>	<b>\$ 733</b>	<b>\$ 1,273</b>	<b>\$ 1,005</b>	<b>\$ 508</b>	<b>\$ 378</b>	<b>\$ 3,897</b>	<b>\$ 127</b>	<b>\$ 243,895</b>

	Balance December 31, 2016	Acquisition	Concessions, taxes, and royalties	Wages and salaries	Drilling, exploration, and technical consulting	Assaying, field supplies, and environmental	Travel and other expenditures	Total expenditures	Currency translation adjustments	Balance December 31, 2017
Springpole	\$ 68,121	\$ 243	\$ 315	\$ 443	\$ 462	\$ 357	\$ 457	\$ 2,034	\$ -	\$ 70,398
Goldlund	85,103	1,196	3	581	4,173	2,125	626	7,508	-	93,807
Hope Brook	17,595	-	21	186	397	182	284	1,070	-	18,665
Cameron	26,017	-	38	108	174	300	39	659	-	26,676
Pickle Crow	15,821	180	63	24	313	69	26	495	-	16,496
Duquesne	5,023	-	1	-	23	4	2	30	-	5,053
Pitt	2,074	-	-	-	5	1	-	6	-	2,080
Others <sup>(1)</sup>	-	2,500	2	-	10	3	-	15	-	2,515
<b>Canada Total</b>	<b>\$ 219,754</b>	<b>\$ 4,119</b>	<b>\$ 443</b>	<b>\$ 1,342</b>	<b>\$ 5,557</b>	<b>\$ 3,041</b>	<b>\$ 1,434</b>	<b>\$ 11,817</b>	<b>\$ -</b>	<b>\$ 235,690</b>
Miranda	760	-	76	-	24	2	-	102	(52)	810
Socorro	712	-	112	-	8	-	-	120	(50)	782
San Ricardo	829	-	191	-	4	1	3	199	(59)	969
Others <sup>(2)</sup>	703	-	245	-	23	1	2	271	(52)	922
<b>Mexico Total</b>	<b>\$ 3,004</b>	<b>\$ -</b>	<b>\$ 624</b>	<b>\$ -</b>	<b>\$ 59</b>	<b>\$ 4</b>	<b>\$ 5</b>	<b>\$ 692</b>	<b>\$ (213)</b>	<b>\$ 3,483</b>
USA	703	-	39	-	-	-	1	40	(45)	698
<b>Total</b>	<b>\$ 223,461</b>	<b>\$ 4,119</b>	<b>\$ 1,106</b>	<b>\$ 1,342</b>	<b>\$ 5,616</b>	<b>\$ 3,045</b>	<b>\$ 1,440</b>	<b>\$ 12,549</b>	<b>\$ (258)</b>	<b>\$ 239,871</b>

- (1) Other mineral properties in Canada as at March 31, 2018 and December 31, 2017 include the mining claims located in the Township of Duparquet, Québec, which are near the Company's Duquesne gold project and the Duparquet gold project (in which the Company holds a 10% indirect interest).
- (2) Other mineral properties in Mexico as at March 31, 2018 and December 31, 2017 include Puertecitos, Los Tamales, Margaritas, Geranio, El Apache, El Roble, Batacosa, Lachatao and Montana Negra.



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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

**5. MINERAL PROPERTY INVESTMENTS**

The Company, through its subsidiary Clifton Star Resources Inc., has a 10% equity interest in the shares of Beattie Gold Mines Ltd., 2699681 Canada Ltd., and 2588111 Manitoba Ltd which directly or indirectly own various mining concessions and surface rights, collectively known as the Duparquet gold project. During the period ended March 31, 2018, there was no material change in the fair value of these investments (Note 11).

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Category	March 31, 2018	December 31, 2017
Accounts payable	\$ 1,078	\$ 840
Other accrued liabilities	343	243
<b>Total</b>	<b>\$ 1,421</b>	<b>\$ 1,083</b>

**7. SHARE CAPITAL****a) Authorized**

Unlimited number of common shares with no par value.

Unlimited number of preferred shares with no par value.

**b) Issued and Fully Paid**

Common shares: 557,471,616 (December 31, 2017 – 552,547,616).

Preferred shares: nil (December 31, 2017 – nil).

**c) Warrants**

The movements in warrants during the three months ended March 31, 2018 and year ended December 31, 2017 are summarized as follows:

	Number	Weighted average exercise price (in dollars)
<b>Balance as at December 31, 2016</b>	<b>50,938,672</b>	<b>\$ 0.80</b>
Warrants exercised	(1,245,263)	0.19
<b>Balance as at December 31, 2017</b>	<b>49,693,409</b>	<b>\$ 0.81</b>
Warrants exercised	(4,760,000)	0.17
<b>Balance as at March 31, 2018</b>	<b>44,933,409</b>	<b>\$ 0.88</b>

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

**7. SHARE CAPITAL (continued)**

The following table summarizes information about the warrants outstanding as at March 31, 2018:

Exercise price	Number of warrants outstanding	Weighted average exercise price (in dollars)	Weighted average remaining life (years)
\$ 0.01 – 0.50	7,019,224	\$ 0.45	1.46
\$ 0.51 – 1.00	21,039,185	0.85	0.21
\$ 1.01 – 1.50	16,875,000	1.10	1.35
	<b>44,933,409</b>	<b>\$ 0.88</b>	<b>0.83</b>

**d) Stock Options**

The Company has adopted a stock option plan that allows for the granting of incentive stock options to Directors, Officers, employees and certain consultants of the Company for up to 10% of the Company's issued and outstanding common shares. Stock options granted under the plan may be subject to vesting provisions as determined by the Board of Directors. All options granted and outstanding are fully vested and exercisable, with the exception of the grants for certain employees in accordance with TSX regulations.

The movements in stock options during the three months ended March 31, 2018 and year ended December 31, 2017 are summarized as follows:

	Number	Weighted average exercise price (in dollars)
<b>Balance as at December 31, 2016</b>	<b>24,440,617</b>	<b>\$ 0.67</b>
Granted – February 10, 2017	10,630,000	0.85
Granted – March 13, 2017	250,000	0.95
Granted – September 25, 2017	150,000	0.66
Granted – October 16, 2017	150,000	0.62
Options exercised	(4,162,617)	0.43
Options expired	(850,000)	1.65
<b>Balance as at December 31, 2017</b>	<b>30,608,000</b>	<b>\$ 0.74</b>
Granted – January 15, 2018	9,575,000	0.60
Options exercised	(164,000)	0.16
<b>Balance as at March 31, 2018</b>	<b>40,019,000</b>	<b>\$ 0.71</b>

The weighted average closing share price at the date of exercise for the three months ended March 31, 2017 was \$0.51 (December 31, 2017 – \$0.72)

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**7. SHARE CAPITAL (continued)**

The following table summarizes information about the stock options outstanding as at March 31, 2018:

Exercise price	Options Outstanding			Options Exercisable		
	Number of options	Weighted average exercise price (in dollars)	Weighted average remaining life (Years)	Number of options	Weighted average exercise price (in dollars)	Weighted average remaining life (years)
\$ 0.01 – 0.50	6,044,000	\$ 0.37	2.04	6,044,000	\$ 0.37	2.04
\$ 0.51 – 1.00	32,700,000	0.74	3.38	32,325,000	0.74	3.36
\$ 1.01 – 1.50	1,075,000	1.32	0.02	1,075,000	1.32	0.02
\$ 1.51 – 2.00	-	-	-	-	-	-
\$ 2.01 – 2.50	200,000	2.50	0.02	200,000	2.50	0.02
	<b>40,019,000</b>	<b>\$ 0.71</b>	<b>3.07</b>	<b>39,644,000</b>	<b>\$ 0.71</b>	<b>3.06</b>

During the three months ended March 31, 2018, there were 9,575,000 (2017 – 10,880,000) incentive stock option granted with an aggregate fair value of \$3,499 (2017 – \$5,421), or a weighted average fair value of \$0.37 per option (2017 – \$0.50).

Certain incentive stock options granted were directly attributable to exploration and evaluation expenditures on mineral properties and were therefore capitalized to mineral properties. In addition, certain incentive stock options were subject to vesting provisions. These two factors result in differences between the aggregate fair value of incentive stock options granted and total share-based payments expense during the periods. Total share-based payments expense during the periods ended March 31, 2018 and 2017 was classified within the financial statements as follows:

	For the three months ended March 31,	
	2018	2017
<b>Statements of Net Loss:</b>		
General and administration	\$ 1,828	\$ 3,400
Exploration and evaluation	89	1,072
Investor relations and marketing	383	584
Corporate development and due diligence	228	238
<b>Subtotal</b>	<b>\$ 2,528</b>	<b>\$ 5,294</b>
<b>Statements of Financial Position:</b>		
Mineral properties	888	-
<b>Total</b>	<b>\$ 3,416</b>	<b>\$ 5,294</b>

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**7. SHARE CAPITAL (continued)**

The fair value of the stock options recognized in the period has been estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three months ended March 31, 2018	Year ended December 31, 2017
Risk-free interest rate	1.60%	1.45%
Share price at grant date (in dollars)	\$0.60	\$0.85
Exercise price (in dollars)	\$0.60	\$0.85
Expected life	5.00 years	5.00 years
Expected volatility <sup>(1)</sup>	74.14%	70.45%
Expected dividend yield	Nil	Nil

(1) The computation of expected volatility was based on the historical volatility of comparable companies from a representative peer group of publicly traded mineral exploration companies.

**8. EXPENDITURES**

Components of the Company's functional expenditure categories are as follows:

	For the three months ended March 31, 2018				Total
	General and administration	Exploration and evaluation	Investor relations and marketing communications	Corporate development and due diligence	
Administrative and office	\$ 93	\$ 30	\$ 12	\$ 2	\$ 137
Depreciation (non-cash)	2	52	-	-	54
Consultants	7	18	-	-	25
Exploration and evaluation	-	1	-	-	1
Investor relations and marketing communications	1	2	214	1	218
Professional fees	77	-	-	-	77
Salaries and Directors fees	346	38	94	85	563
Share-based payments (non-cash) (Note 7(d))	1,828	89	383	228	2,528
Transfer agent and filing fees	50	-	-	-	50
Travel and accommodation	32	38	33	11	114
<b>Total</b>	<b>\$ 2,436</b>	<b>\$ 268</b>	<b>\$ 736</b>	<b>\$ 327</b>	<b>\$ 3,767</b>

**FIRST MINING GOLD CORP.**

(formerly known as First Mining Finance Corp.)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

**8. EXPENDITURES (continued)**

	For the three months ended March 31, 2017				
	General and administration	Exploration and evaluation	Investor relations and marketing communications	Corporate development and due diligence	Total
Administrative and office	\$ 102	\$ -	\$ -	\$ -	\$ 102
Depreciation (non-cash)	17	55	-	-	72
Consultants	-	31	-	-	31
Exploration and evaluation	-	7	-	-	7
Investor relations and marketing communications	-	-	395	35	430
Professional fees	189	40	-	-	229
Salaries and Directors fees	196	8	48	15	267
Share-based payments (non-cash) (Note 7(d))	3,400	1,072	584	238	5,294
Transfer agent and filing fees	91	-	-	-	91
Travel and accommodation	35	52	51	-	138
<b>Total</b>	<b>\$ 4,030</b>	<b>\$ 1,265</b>	<b>\$ 1,078</b>	<b>\$ 288</b>	<b>\$ 6,661</b>

**9. SEGMENT INFORMATION**

The Company operates in a single reportable operating segment, being the acquisition, exploration, and development of North American mineral properties. Geographic information about the Company's non-current assets as at March 31, 2018 and December 31, 2017 is as follows:

Non-current assets	March 31, 2018	December 31, 2017
Canada	\$ 239,795	\$ 236,456
Mexico	4,216	3,560
USA	723	704
<b>Total</b>	<b>\$ 244,734</b>	<b>\$ 240,720</b>

**10. RELATED PARTY TRANSACTIONS**

The Company's related parties are its Directors and Officers, and any companies in which they control or have significant influence. The Company incurred the following related party expenditures during the three months ended March 31, 2018 and 2017:

Service or Item	Three months ended March 31,	
	2018	2017
Administration and office	\$ 51	\$ 50

Administration and office expenses include amounts paid to First Majestic Silver Corp. ("First Majestic"), who provide office space and some administrative services to the Company. First Majestic's President & Chief Executive Officer, Chief Financial Officer, and one Director are also Directors of the Company.

As at March 31, 2018, included in current liabilities is an amount of \$10 (December 31, 2017 - \$1) due to First Majestic for administration and office expenses.

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**10. RELATED PARTY TRANSACTIONS (continued)****Key Management Compensation**

Key management includes the Officers and Directors of the Company. The compensation paid or payable to key management for services during the three months ended March 31, 2018 and 2017 are as follows:

Service or Item	Three months ended March 31,	
	2018	2017
Directors' fees	\$ 35	\$ 26
Salaries and consultants' fees	393	222
Share-based payments (non-cash)	2,475	4,236
<b>Total</b>	<b>\$ 2,903</b>	<b>\$ 4,484</b>

**11. FAIR VALUE**

Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, current accounts and other receivables, and accounts payable and accrued liabilities approximated their fair values because of the short-term nature of these financial instruments. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

The carrying values of non-current reclamation deposit and accounts and other receivables approximated their fair values. These financial instruments are classified as financial assets at amortized cost and are reported at amortized cost.

The carrying value of marketable securities was based on the quoted market prices of the shares as at March 31, 2018 and was therefore considered to be Level 1.

The carrying value of the mineral property investments (First Mining's 10% equity interest in three privately held companies that own the Duparquet Gold Project) was not based on observable market data and was therefore considered to be Level 3. The initial fair value of the mineral property investments was determined based on attributable pro-rata gold ounces for the Company's 10% indirect interest in the Duparquet project, which formed part of the identifiable assets from the acquisition of Clifton. Subsequently, the fair value will be reassessed at each period end. Scenarios which may result in a significant change in fair value include, among others, a change in the performance of the investee, a change in the market for the investee's future products, a change in the performance of comparable entities, a change in gold price, a change in the economic environment, or evidence from external transactions in the investee's equity. As at March 31, 2018, management concluded that there was no significant change in the fair value of the mineral property investments based on the approach described above.

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**11. FAIR VALUE (continued)**

The following table presents the Company's fair value hierarchy for financial assets that are measured at fair value:

	March 31, 2018			December 31, 2017		
	Carrying value	Fair value measurement		Carrying value	Fair value measurement	
		Level 1	Level 3		Level 1	Level 3
<b>Financial assets:</b>						
Marketable securities (Note 3)	\$ 4,255	\$ 4,255	\$ -	\$ 4,277	\$ 4,277	\$ -
Mineral property investments (Note 5)	4,417	-	4,417	4,417	-	4,417
<b>Total</b>	<b>\$ 8,672</b>	<b>\$ 4,255</b>	<b>\$ 4,417</b>	<b>\$ 8,694</b>	<b>\$ 4,277</b>	<b>\$ 4,417</b>

None of the Company's financial liabilities are subsequently measured at fair value after initial recognition.

During the three months ended March 31, 2018 there have been no transfers of amounts between Level 1, Level 2, and Level 3 of the fair value hierarchy.

**12. SUBSEQUENT EVENTS****Expiry of Stock Options and Warrants**

Subsequent to March 31, 2018, 1,800,000 stock options and 3,406,069 warrants expired.