SAVANNAH GOLD CORP.

(Formerly Mexigold Corp.)

Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2016 and 2015

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

SAVANNAH GOLD CORP.

(former Mexigold Corp.)

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SAVANNAH GOLD CORP.

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NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the condensed consolidated interim financial statements by an entity's auditors.

November 24, 2016

SAVANNAH GOLD CORP.
(Formerly Mexigold Corp.)

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

	Notes		September 30, 2016 (unaudited)		December 31, 2015 (audited)
Assets					
Current assets:					
Cash		**$**	**674**	$	3,066
Receivables	3		**13,989**		11,096
Prepaids			–		1,250
			14,663		15,412
Property and equipment	4		**405**		737
		$	**15,068**	$	16,149
Liabilities and Shareholders' Deficiency					
Current liabilities:					
Trade payables and accrued liabilities	5	**$**	**109,510**	$	152,976
Due to related parties	7		**262,850**		187,127
			372,360		340,103
Shareholders' deficiency:					
Share capital	6		**13,426,805**		13,426,805
Reserves	6		**1,147,418**		1,143,158
Deficit			**(14,931,515)**		(14,893,917)
			(357,292)		(323,954)
		$	**15,068**	$	16,149

Nature and continuance of operations (Note 1)

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

SAVANNAH GOLD CORP.
(Formerly Mexigold Corp.)

Condensed Consolidated Interim Statement of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars– Unaudited)

	Share Capital		Reserves			
	Number of Shares	Amount	Equity Reserve	Foreign Currency Reserve	Deficit	Total Deficiency
Balance, December 31, 2014	15,230,153	$ 13,426,805	$ 1,223,755	$ (79,306)	$ (14,745,207)	**$ (173,953)**
Foreign currency translation	–	–	–	(137)	–	(137)
Net loss for the period	–	–	–	–	(102,738)	(102,738)
Balance, September 30, 2015	15,230,153	13,426,805	1,223,755	(79,443)	(14,847,945)	**(276,828)**
Foreign currency translation	–	–	–	(1,154)	–	(1,154)
Net loss for the period	–	–	–	–	(45,972)	(45,972)
Balance, December 31, 2015	15,230,153	13,426,805	1,223,755	(80,597)	(14,893,917)	**(323,954)**
Foreign currency translation	–	–	–	4,260	–	4,260
Net loss for the period	–	–	–	–	(37,598)	(37,598)
Balance, September 30, 2016	15,230,153	$ 13,426,805	$ 1,223,755	$ (76,337)	$ (14,931,515)	**$ (357,292)**

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

SAVANNAH GOLD CORP.
(Formerly Mexigold Corp.)

Condensed Consolidated Interim Statements of Comprehensive Loss
For the nine months ended September 30, 2016 and 2015
(Expressed in Canadian Dollars– Unaudited)

	Notes	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Expenses:					
Amortization		**$ 34**	$ 170	**$ 332**	$ 509
General and administrative	7	**11,886**	16,353	**48,361**	53,791
Management fees	7	**7,500**	7,500	**22,500**	37,500
Professional fees (recovery)		**(5,051)**	–	**(48,681)**	2,217
Regulatory and transfer agent fees		**6,921**	1,852	**15,086**	8,721
Net loss for the period		**(21,290)**	(25,875)	**(37,598)**	(102,738)
Other comprehensive income					
Exchange differences on translating foreign operations		**(5,046)**	176	**4,260**	(137)
Comprehensive loss for the period		**$ (26,336)**	$ (25,699)	**$ (33,338)**	$ (102,875)
Loss per common share -Basic and diluted		**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding –Basic and diluted*		**15,230,153**	15,230,153	**15,230,153**	15,230,153

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

SAVANNAH GOLD CORP.
(Formerly Mexigold Corp.)

Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended September 30, 2016 and 2015
(Expressed in Canadian Dollars - Unaudited)

	Nine months ended September 30, 2016	2015
Cash provided by (used in):		
Operating :		
Loss for the period	**$ (37,598)**	$ (102,738)
Items not affecting cash		
Amortization	**332**	509
Change in non-cash working capital:		
Receivables	**(2,893)**	(3,639)
Prepaids	**1,250**	(1,250)
Trade payables and accrued liabilities	**(43,466)**	19,655
Due to related parties	**53,223**	67,725
	(29,152)	(19,738)
Financing:		
Loans from related parties	**22,500**	18,500
	22,500	18,500
Effect of foreign exchange	**4,260**	(137)
Change in cash	**(2,392)**	(1,375)
Cash, beginning	**3,066**	1,440
Cash, ending	**$ 674**	$ 65

The accompanying notes form an integral part of these condensed consolidated interim financial statements.
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1. NATURE AND CONTINUANCE OF OPERATIONS

Savannah Gold Corp. (“Savannah” or the “Company”, formerly Mexigold Corp.) was incorporated on August 19, 1998 under the laws of British Columbia. The Company is listed on the NEX board of the TSX Venture Exchange (“TSX-V”) under the symbol SAV.H.

On August 22, 2016, the Company changed its name from Mexigold Corp. to Savannah Gold Corp. and its stock symbol from MAU.H to SAV.H. The Company also consolidated its share capital on a ratio of one new post-consolidated common share for every two old pre-consolidated common shares. All shares and per share references in these financial statements have been retroactively restated accordingly unless noted otherwise.

On March 1, 2011, the Company incorporated a wholly-owned Canadian subsidiary, 0904254 BC Ltd. (“0904254 BC”). On March 4, 2011, the Company also incorporated a Mexican subsidiary, Mexigold Resources SA de CV (“MAU Mexico”), whereby the Company owns 99% and 0904254 BC owns 1% of MAU Mexico.

The Company’s head office and principal address is Suite 2050-1055 West Georgia Street, PO Box 11121, Vancouver, BC, V6E 3P3. The registered and records office is Suite 1000-840 Howe Street, Vancouver, BC, V6Z 2M1.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company continues to identify and evaluate business opportunities in the resource sector and other industries. The Company’s continuing operations are dependent upon its ability to raise adequate financing to pursue these opportunities and to commence profitable operations in the future. To date, the Company has not generated any revenues and was not able to finance day to day activities through operations. During the nine months ended September 30, 2016, the Company incurred a net loss of $37,598 (2015 - $102,738), and, as of this date, the Company’s accumulated deficit is $14,931,515.

These uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company may continue to have capital requirements in excess of its currently available resources. The Company will require financing in the future to continue in business, and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms.

These consolidated financial statements do not give effect to any adjustments to the amounts or classification of assets and liabilities, which might be necessary should the Company be unable to continue in existence.

These financial statements were authorized for issue on November 24, 2016 by the directors of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

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

Basis of Presentation

The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2015 and 2014. The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2015, except as described in note 2 *Adoption of new accounting standards*.

Consolidation

The condensed consolidated interim financial statements include the financial statements of the Company and its controlled subsidiaries. Subsidiaries are all corporations over which the Company is able directly or indirectly, to control the financial and operational policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

	Country of incorporation	Percentage owned September 30, 2016	Percentage owned December 31, 2015
0904254 BC	Canada	100%	100%
MAU Mexico	Mexico	100%(1)	100%(1)

(1) The Company owns 99% and 0904254 BC owns 1% of MAU Mexico

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful life of property and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability of VAT recoverable, recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments; and
- the determination of the functional currency of the Company.

Adoption of new accounting standards

The following amendments to certain accounting standards were effective for annual periods beginning on or after January 1, 2016 and have been adopted by the Company. There was no material impact on the consolidated financial statements arising from the implementation of these standards.

- *Amendments to IAS 1 Presentation of Financial Statements:* The amendments clarify guidance on materiality and aggregation, use of subtotals, aggregation and disaggregation of financial statement line items, the order of the notes to the financial statements and disclosure of significant accounting policies.
- *Amendments to IFRS 7 Financial Instrument: Disclosures:* The amendments clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required and the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.
- *Amendments to IAS 34 Interim Financial Reporting:* The amendments clarify the requirement relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Adoption of new accounting standards

- *Amendments to IFRS 10 Consolidated Financial Statements; IFRS 12 Disclosure of Interest in Other Entities; IAS 28 Investments in Associates and Joint Ventures*: The amendments address issues in applying the consolidation exception for investment entities.
- *IFRS 11, Joint Arrangements:* The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.
- *Amendments to IAS 27 Equity Method in Separate Financial Statements:* The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Recent accounting pronouncements

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements.

- *IFRS 9, Financial Instruments*

  IFRS 9, Financial instruments, was issued by the IASB on July 24, 2014 and will replace IAS 39, Financial instruments: recognition and measurement ("IAS 39"). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

- *IFRS 15, Revenue from Contracts with Customers*

  IFRS 15, Revenue from Contracts and Customers, was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018.

(Expressed in Canadian Dollars – Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Recent accounting pronouncements

- *IFRS 16 – Leases*

  IFRS 16, the new standard contains a single lessee accounting model, which eliminates the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted.

3. RECEIVABLE

	September 30, 2016	December 31, 2015
Government sales tax	$ 13,989	$ 11,096

4. PROPERTY AND EQUIPMENT

	Computer Equipment	Leasehold Improvements	Furniture	Total
Cost:				
At December 31, 2015 and June 30, 2016	$ 2,687	$ 2,308	$ 1,034	**$ 6,029**
Amortization:				
At December 31, 2015	$ 2,592	$ 2,077	$ 623	**$ 5,292**
Amortization	39	231	62	332
At September 30, 2016	$ 2,631	$ 2,308	$ 685	**$ 5,624**
Net book value:				
At December 31, 2015	$ 95	$ 231	$ 411	**$ 737**
At September 30, 2016	$ 56	$ –	$ 349	**$ 405**

5. TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2016	December 31, 2015
Trade payables	$ 85,160	$ 62,165
Trade payables of MAU Mexico	24,350	73,861
Accrued liabilities	–	16,950
	$ 109,510	$ 152,976

(Expressed in Canadian Dollars – Unaudited)

6. SHARE CAPITAL

Authorized share capital

Unlimited common shares with no par value.

Issued and outstanding

During the third quarter ended September 30, 2016, the Company consolidated its share capital on a ratio of one new post-consolidated common share for every two old pre-consolidated common shares. The Company now has 15,230,153 issued and outstanding common shares.

There were no transactions affecting share capital during the year ended December 31, 2015.

Stock options

The Company adopted a 10% rolling stock option plan (the "Plan") that enables management to grant options to directors, officers, employees and other service providers. The Company follows the policies of the TSX-V where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options. Options granted fully vest on the date of grant, except for options issued to consultants which vest in stages over 12 months with no more than 25% of the options vesting in any 3 month period.

A summary of the Company's stock option transactions at September 30, 2016 and December 31, 2015 is presented below:

	September 30, 2016		December 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	750,000	$ 0.48	750,000	$ 0.48
Expired / forfeited	(750,000)	0.48	–	–
Options outstanding, end of period	–	$ –	750,000	$ 0.48

Reserves

Equity reserve records items recognized as share-based payments until such time that the stock options and agent's warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Foreign currency reserve records exchange differences arising from translation of the Company's subsidiary's' results and financial position from their functional currencies into the presentation currency.

7. RELATED PARTY TRANSACTIONS

The Company entered into an agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, to provide management and administrative services to the Company in exchange for a monthly fee of $5,000 and $3,000, respectively.

On July 1, 2015, the Company renewed its agreement with VCC for management and administrative services for a monthly fee of $2,500 and $3,000, respectively, for a term of 3 years. The agreement will automatically renew annually thereafter until notice is provided to the Company for termination.

During the nine months ended September 30, 2016, the Company incurred $22,500 (2015 - $37,500) for management fees and $27,000 (2015 - $27,000) for administrative fees to VCC.

As at September 30, 2016, $204,225 (December 31, 2015 - $152,250) was due to VCC for management and administrative fees and $56,000 (December 31, 2015 - $33,500) was due to VCC for an operating loan. The loan is unsecured, non-interest bearing and has no fixed terms of repayment.

As at September 30, 2016, $2,625 (December 31, 2015 - $1,312) was due to a director of the Company for reimbursement of regulatory filing fees. The amount was paid subsequent to September 30, 2016.

8. FINANCIAL RISK AND CAPITAL MANAGEMENT

As at September 30, 2016, the Company's financial instruments include cash, trade payables and due to related parties. Trade payables and due to related parties are classified as other financial liabilities. The carrying value of these financial instruments approximates their fair value due to their short-term maturity.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and receivables. The Company minimizes its exposure to credit risk by placing its cash with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash as low due to the high credit quality rating the institution has with the rating agencies. As at September 30, 2016, the Company had cash of $674 (December 31, 2015 - $3,066).

The Company's secondary exposure to credit risk is on its receivable. This risk is minimal as receivables consist of refundable government sales taxes of $13,989 (December 31, 2015 - $11,096).

8. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Currency risk
The Company's current operations are not exposed to significant foreign currency risk. However, the Company is exposed to foreign currency risk on fluctuations related to trade payables of the Mexican subsidiary of approximately $24,350 (Note 5) that are denominated in US Dollars. The Company does not hedge its exposure to foreign exchange risk on these items.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The fair value of the Company's financial instruments is relatively unaffected by changes in interest rates. The interest rate risk on its bank deposit, which earns interest at a variable rate, is minimal due to a low balance of the deposit.

Liquidity and funding risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company tries to achieve this by maintaining sufficient cash to cover current liabilities as they mature.

As at September 30, 2016, the Company had a working capital deficiency of $357,697 (December 31, 2015 - $324,691). In order to pay its current liabilities of $372,360 that are due within 12 months and to continue operations, additional funding will be required. During the past 12 months, the Company has relied on loans from a related party to assist short-term working capital needs.

On July 22, 2016, the Company announced a non-brokered private placement for total gross proceeds of up to $750,000. The private placement will consist of up to 7,500,000 post consolidation units at $0.10 per unit. Each post consolidation unit will consist of one common share and one-half common share purchase warrant of the Company. Each whole warrant will entitle the holder, on exercise, to purchase one additional common share of the Company at a price of $0.20 per share for a period of two years from the closing of the private placement.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company has been successful in raising capital in the past, there is no guarantee it will be able to do so in the future.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations. The Company's policy and objective is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and option reserve, net of accumulated deficit. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company invests all capital in surplus to its immediate operational needs in short-term liquid and highly-rated financial instruments, such as cash held with major financial institutions. The Company does not pay out dividends.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2016. The Company is not subject to any externally imposed capital requirements.