

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 Or 15(d) Of The Securities Exchange Act of 1934

For the quarterly period ended **October 31, 2016**

Transition Report Under Section 13 Or 15(d) Of The Securities Exchange Act of 1934

For the transition period _____ to _____

COMMISSION FILE NUMBER 000-52711

STAR GOLD CORP.

(Exact name of the registrant business issuer as specified in its charter)

NEVADA

27-0348508

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

611 E. Sherman Avenue

Coeur d'Alene, Idaho

83814

(Address of principal executive office)

(Postal Code)

(208) 664-5066

(Issuer's telephone number)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes [x]**
No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes [x]**
No []

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "Accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer [] Accelerated Filer [] Non-Accelerated Filer [] Smaller Reporting Company **[x]**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [] No **[x]**

As of **December 10, 2016**, there were **54,836,627** shares of issuer's common stock outstanding.

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PART I - FINANCIAL INFORMATION

Item 1 – Financial Statements

STAR GOLD CORP.
BALANCE SHEETS

	October 31, 2016 (Unaudited)	April 30, 2016
ASSETS		
CURRENT ASSETS:		
Cash	\$ 338,232	\$ 1,785
Prepaid expenses	13,587	8,767
TOTAL CURRENT ASSETS	<u>351,819</u>	<u>10,552</u>
EQUIPMENT AND MINING INTEREST, net (NOTE 3)	335,349	326,050
RESTRICTED CASH	<u>21,600</u>	<u>21,600</u>
TOTAL ASSETS	<u>\$ 708,768</u>	<u>\$ 358,202</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 26,794	\$ 53,742
Other accrued liabilities	31,250	12,381
Notes payable, related party (NOTE 4)	-	15,000
TOTAL CURRENT LIABILITIES	<u>58,044</u>	<u>81,123</u>
LONG TERM LIABILITIES:		
Deposits on stock subscriptions	-	18,000
TOTAL LONG TERM LIABILITIES	<u>-</u>	<u>18,000</u>
TOTAL LIABILITIES	<u>58,044</u>	<u>99,123</u>
COMMITMENTS AND CONTINGENCIES (NOTE 3)	-	-
STOCKHOLDERS' EQUITY		
Preferred Stock, \$.001 par value; 10,000,000 shares authorized, none issued and outstanding	-	-
Common Stock, \$.001 par value; 300,000,000 shares authorized; 54,836,726 and 40,836,726 shares issued and outstanding, respectively	54,837	40,837
Additional paid-in capital	10,348,528	9,535,751
Accumulated deficit	<u>(9,752,641)</u>	<u>(9,317,509)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>650,724</u>	<u>259,079</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 708,768</u>	<u>\$ 358,202</u>

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

STAR GOLD CORP.
STATEMENTS OF OPERATIONS (UNAUDITED)

	Three months ended October 31,		Six months ended October 31,	
	2016	2015	2016	2015
OPERATING EXPENSE				
Mineral exploration expense	\$ 43,669	\$ 86,231	\$ 144,466	\$ 199,686
Legal and professional fees	20,737	11,480	49,511	33,214
Management and administrative	209,244	21,268	236,079	47,428
Depreciation	1,351	1,351	2,701	2,700
TOTAL OPERATING EXPENSES	275,001	120,330	432,757	283,028
LOSS FROM OPERATIONS	(275,001)	(120,330)	(432,757)	(283,028)
OTHER INCOME (EXPENSE)				
Interest income (expense)	(565)	(359)	(2,375)	(2,680)
TOTAL OTHER INCOME (EXPENSE)	(565)	(359)	(2,375)	(2,680)
NET LOSS BEFORE INCOME TAXES	(275,566)	(120,689)	(435,132)	(285,708)
Provision for income tax	-	-	-	-
NET INCOME	\$ (275,566)	\$ (120,689)	\$ (435,132)	\$ (285,708)
Basic and diluted loss per share	\$ (0.01)	\$ Nil	\$ (0.01)	\$ (0.01)
Basic and diluted weighted average number shares outstanding	43,728,030	37,333,291	42,282,378	36,964,509

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

STAR GOLD CORP.
STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended October 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (435,132)	\$ (285,708)
Adjustments to reconcile net loss to cash used by operating activities		
Stock based compensation	126,777	488
Depreciation	2,701	2,700
Changes in operating assets and liabilities:		
Prepaid expenses	(4,820)	60,063
Accounts payable	(26,948)	24,428
Other accrued liabilities	18,869	(16,571)
Net cash used by operating activities	<u>(318,553)</u>	<u>(214,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for mining interest	<u>(12,000)</u>	<u>(12,000)</u>
Net cash used by investing activities	<u>(12,000)</u>	<u>(12,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable, related party	70,000	40,000
Repayment of notes payable, related party	(85,000)	(129,579)
Proceeds from sale of common stock and warrants	682,000	424,100
Net cash provided by financing activities	<u>667,000</u>	<u>334,521</u>
Net increase in cash and cash equivalents	336,447	107,921
CASH AT BEGINNING OF PERIOD	<u>\$ 1,785</u>	<u>\$ 5,358</u>
CASH AT END OF PERIOD	<u>\$ 338,232</u>	<u>\$ 113,279</u>
NON-CASH FINANCING AND INVESTING ACTIVITYACACTIVITIES:		
Reduction of note payable, related party by vendor refund	\$ -	\$ 12,337

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

STAR GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2016

NOTE 1 - NATURE OF OPERATIONS

Star Gold Corp. (the "Company") was initially incorporated as Elan Development, Inc., in the State of Nevada on December 8, 2006. The Company was originally organized to explore mineral properties in British Columbia, Canada but the Company is currently focusing on gold, silver and other base metal-bearing properties in Nevada.

The Company's main business consists of assembling and/or acquiring land packages and mining claims the Company believes have potential mining reserves, and expending capital to explore these claims by drilling, and performing geophysical work or other exploration work deemed necessary. The business is a high-risk business as there is no guarantee that the Company's exploration work will ultimately discover or produce any economically viable minerals.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. The accompanying unaudited financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, the financial statements do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of our management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the six-month period ended October 31, 2016 are not necessarily indicative of the results that may be expected for the full year ending April 30, 2017. All amounts presented are in U.S. dollars. For further information, refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-K for the year ended April 30, 2016.

Going Concern

As shown in the accompanying financial statements, the Company has incurred operating losses since inception. As of October 31, 2016, the Company has limited financial resources with which to achieve the objectives and obtain profitability and positive cash flows. As shown in the accompanying balance sheets and statements of operations, the Company has an accumulated deficit of \$9,752,641, and at October 31, 2016, the Company's working capital was \$293,775. Achievement of the Company's objectives will be dependent upon the ability to obtain additional financing, to locate profitable mining properties and generate revenue from current and planned business operations, and control costs. The Company plans to fund its future operations by joint venturing, obtaining additional financing from investors, and/or lenders, and attaining commercial production. However, there is no assurance that the Company will be able to achieve these objectives, therefore substantial doubt about its ability to continue as a going concern exists.

The financial statements do not include adjustments relating to the recoverability of recorded assets nor the implications of associated bankruptcy costs should the Company be unable to continue as a going concern. In the event the Company is unable to fulfill the annual exploration expenditures as specified in the Property Option Agreement (Note 3), the Company will default on the agreement(s) and surrender its right to future claims on the respective property.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management assumptions and estimates relate to asset

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impairments and stock option valuation. Actual results could differ from these estimates and assumptions and could have a material effect on the Company's reported financial position and results of operations.

Cash and cash equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less when acquired to be cash equivalents.

Restricted cash

Restricted cash constitutes cash held as collateral for the faithful performance of bonds securing exploration permits.

Financial Instruments

The Company's financial instruments include cash and cash equivalents and reclamation bonds. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at October 31, 2016.

Fair Value Measures

The Financial Accounting Standards Board Accounting Standards Codification Topic 820 "Fair Value Measurements" ("ASC 820") requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1: Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2: Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quote prices for similar assets or liabilities in active markets; quoted prices for identical assets in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3: Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

At October 31, 2016 and April 30, 2016, the Company had no assets or liabilities accounted for at fair value on a recurring basis.

Mining Interests and Mineral Exploration Expenditures

Exploration costs are expensed in the period in which they occur. The Company capitalizes costs for acquiring and leasing mining properties and expenses costs to maintain mineral rights as incurred. Should a property reach the production stage, these capitalized costs would be amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mining interests are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Equipment

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Equipment is stated at cost. Depreciation of equipment is calculated using the straight-line method over the estimated useful lives of the assets, which ranges from three to seven years. Maintenance and repairs are charged to operations as incurred. Significant improvements are capitalized and depreciated over the useful life of the assets. Gains or losses on disposition or retirement of property and equipment are recognized in operating expenses.

Reclamation and Remediation

The Company's operations are subject to standards for mine reclamation that have been established by various governmental agencies. In the period in which the Company incurs a contractual obligation for the retirement of tangible long-lived assets, the Company will record the fair value of an asset retirement obligation as a liability. A corresponding asset will also be recorded and depreciated over the life of the asset. After the initial measurement of an asset retirement obligation, the liability will be adjusted at the end of each reporting period to reflect changes in the estimated future cash flows underlying the obligation. To date, the Company has not incurred any contractual obligation requiring recording either a liability or associated asset.

Impaired Asset Policy

The Company periodically reviews its long-lived assets to determine if any events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable, pursuant to guidance established in ASC Topic 360, "Accounting for the Impairment or Disposal of Long-lived Assets". The Company determines impairment by comparing the undiscounted net future cash flows estimated to be generated by its assets to their respective carrying amounts. If impairment is deemed to exist, the assets will be written down to fair value.

Stock-based Compensation

The Company estimates the fair value of options to purchase common stock using the Black-Scholes model, which requires the input of some subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them ("expected life"), the estimated volatility of the Company's common stock price over the expected term ("volatility"), employee forfeiture rate, the risk-free interest rate and the dividend yield. Changes in the subjective assumptions can materially affect the estimate of fair value of stock-based compensation. Options granted have a ten-year maximum term and varying vesting periods as determined by the Board of Directors. The value of shares of common stock awards is determined based on the closing price of the Company's stock on the date of the award.

Loss Per Share

Basic Earnings Per Share ("EPS") is computed as net income (loss) available to common stockholders divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options and warrants.

The outstanding securities at October 31, 2016 and 2015, that could have a dilutive effect are as follows:

	<u>October 31, 2016</u>	<u>October 31, 2015</u>
Stock options	5,185,000	3,058,667
Warrants	19,855,400	5,855,400
TOTAL POSSIBLE DILUTION	<u>25,040,400</u>	<u>8,914,067</u>

For the three and six month periods ended October 31, 2016 and 2015, respectively, the effect of the Company's outstanding options and common stock equivalents would have been anti-dilutive.

Income Taxes

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The Company recognizes provision for income tax using the liability method. Deferred income tax liabilities or assets at the end of each period are determined using the tax rates expected to be in effect when the taxes are paid or recovered. A valuation allowance is recognized on deferred tax assets when it is more likely than not that some or all of these deferred tax assets will not be realized.

New Accounting Pronouncement

In August 2014, the FASB issued ASU No. 2014-15—Presentation of Financial Statements—Going Concern. The guidance requires an entity's management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). If conditions or events exist that raise substantial doubt about an entity's ability to continue as a going concern, the guidance requires disclosure in the financial statements. The guidance will be effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company has concluded that adoption of the standard would have minimal impact on the Company's financial statements as such disclosure is already included in the financial statements.

NOTE 3 – EQUIPMENT AND MINING INTEREST

The following is a summary of the Company's equipment and mining interest at October 31, 2016 and April 30, 2015.

	October 31, 2016	April 30, 2016
Equipment	\$ 27,007	\$ 27,007
Less accumulated depreciation	(25,657)	(22,956)
Equipment, net of accumulated depreciation	1,350	4,051
Mining interest - Longstreet	333,999	321,999
TOTAL EQUIPMENT AND MINING INTEREST	\$ 335,349	\$ 326,050

The Longstreet Property

The Company leases with an option to acquire unpatented mining claims located in the State of Nevada and known as the Longstreet Property. On December 10, 2014, the Longstreet Property Option Agreement was amended revising the required expenditures and annual stock option obligation. The Company is also obligated to pay an annual owners advance royalty payment of \$12,000 related to the Clifford claims.

On January 5, 2016, the Longstreet Property Option Agreement was further amended revising the required expenditures and annual stock option obligation. All allowable expenditures in excess of the required annual expenditures shall be carried-over to the subsequent year.

For the year ended April 30, 2016, the Company made an annual required payment to the optioner of \$20,000 which is included in "Equipment and Mining Interest". The Company issued options to purchase 25,000 shares of common stock with fair value of \$1,500 (Note 6).

For the six months ended October 31, 2016, the Company paid the annual \$12,000 advance royalty for additional mining interest on the Longstreet property related to the Clifford claims.

The schedule of annual payments, minimum expenditures and number of stock options to be issued pursuant to the amended Longstreet Property Option Agreement of January 5, 2016, is as follows:

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Required annual expenditure between:	Required Expenditure	Cash payment ⁽¹⁾	Stock options
January 17, 2016 through January 16, 2017	\$ 150,000	\$ 25,000	25,000
January 17, 2017 through January 16, 2018	300,000	35,000	40,000
January 17, 2018 through January 16, 2019	500,000	40,000	45,000
January 17, 2019 through January 16, 2020	700,000	45,000	50,000
Payment due upon transfer but no later than January 16, 2021	-	85,000	-
TOTAL	\$ 1,650,000	\$ 230,000	160,000

(1) Does not include \$12,000 annual advance royalty payment related to Clifford claims.

NOTE 4 – RELATED PARTY TRANSACTIONS

On March 16, April 10 and April 14, 2015, the Company entered into short term promissory notes with the Company’s Chairman of the Board of Directors in the aggregate amount of \$101,916. The notes matured on December 31, 2015 and bore interest at 8% per annum with bi-monthly payments of \$450 commencing on August 1, 2015. The notes and accrued interest were paid in full during the year ended April 30, 2016.

On March 20, 2016, the Company entered into short term promissory note with the Company’s Chairman of the Board of Directors in the amount of \$15,000. The Note originally had a maturity date of December 31, 2016. The full amount of principal and all accrued interest were paid in full on August 23, 2016.

On May 4, 2016, the Company entered into short term promissory note with the Company’s Chairman of the Board of Directors in the amount of \$70,000. The Note originally had a maturity date of December 31, 2016. The full amount of principal and all accrued interest were paid in full on August 23, 2016.

For the three months ended October 31, 2016 and 2015, interest expense on the short term promissory notes in aggregate was \$1,656 and \$2,113 respectively. For the six months ended October 31, 2016 and 2015, interest expense on the short term promissory notes in aggregate was \$2,093 and \$2,320, respectively.

NOTE 5– COMMON STOCK

On October 12, 2015, the Company completed a private placement of its securities wherein it raised a total of \$424,100 (the “2015 Offering”). The 2015 Offering consisted of the sale of “units” of the Company’s securities at the per unit price of \$0.10. Pursuant to the Offering, the Company issued 4,241,000 shares of its common stock and warrants to purchase an additional 4,241,000 shares of its common stock. Warrants issued pursuant to the Offering entitle the holders thereof to purchase shares of common stock for the price of \$0.20 per share. The term of each warrant is for five years commencing with its issuance date.

On October 12, 2016, the Company issued 14,000,000 shares of its common stock and warrants to purchase an additional 14,000,000 shares of its common stock to 24 investors pursuant to a private placement of its securities (the “2016 Offering”). The 2016 Offering consisted of the sale of “units” of the Company’s securities at the per unit price of \$0.05. Warrants issued pursuant to the 2016 Offering entitled the holders thereof to purchase shares of common stock for the price of \$0.15 per share. The term of each warrant is for five years commencing with its issuance date. The Company closed the 2016 Offering and having raised a total of \$700,000 (\$18,000 in fiscal year ended April 30, 2016 and \$682,000 in six months ended October 31, 2016).

NOTE 6 - STOCK OPTIONS

Options issued for mining interest

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In consideration for mining interests (see Note 3), the Company is obligated to issue stock options to purchase shares of the Company's common stock based on "fair market price" which for financial statement purposes is considered to be the closing price of the Company's common stock on the issue dates.

The following is a summary of the Company's options issued and outstanding in conjunction with certain mining interest agreements on properties for the three and six months ended October 31, 2016 and October 31, 2015, respectively:

	For the three and six months ended October 31, 2016		For the three and six months ended October 31, 2015	
	Options	Price (a)	Options	Price (a)
Beginning balance	375,000	\$ 0.32	350,000	\$ 0.34
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Ending balance	<u>375,000</u>	<u>\$ -</u>	<u>350,000</u>	<u>\$ 0.34</u>

(a) Weighted average exercise price.

Options issued for consulting services

As per an agreement fully executed on October 3, 2012, in consideration for consulting and advisory services rendered, the Company was obligated to issue a total of 1,000 stock options based on 5 day variable weighted-average price (VWAP) at the end of each month of the associated consulting contract. The stock options had a term of 1 year. The consultant options vested on the first day of the following month of service and were exercisable for a period of six months following the termination of the agreement. The Company estimated the fair value of these option grants using the Black-Scholes model with the following information and range of assumptions:

	For the six months ended	
	October 31, 2016	October 31, 2015
Options issued	3,000	6,000
Weighted average exercise price	\$ 0.06	\$ 0.10
Weighted average volatility	440.2% to 452.3%	244.4% to 307.6%
Weighted average life remaining	0.46	0.46
Risk free rate	0.48% to 0.54%	0.25% to 0.28%

The following is a summary of the Company's options issued and outstanding associated with the consulting agreement:

	For the three months ended October 31,			
	2016		2015	
	Options	Price (a)	Options	Price (a)
Beginning balance	12,000	\$ 0.08	12,000	\$ 0.16
Issued	-	-	3,000	0.07
Exercised	-	-	-	-
Rescinded/expired	(12,000)	(0.08)	(3,000)	(0.25)
Ending balance	<u>-</u>	<u>\$ -</u>	<u>12,000</u>	<u>\$ 0.11</u>

(a) Weighted average exercise price.

STAR GOLD CORP.
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	For the six months ended October 31,			
	2016		2015	
	Options	Price (a)	Options	Price (a)
Beginning balance	12,000	\$ 0.16	12,000	\$ 0.34
Issued	3,000	0.06	6,000	0.09
Exercised	-	-	-	-
Rescinded/expired	(15,000)	(0.10)	(6,000)	(0.24)
Ending balance	-	\$ -	12,000	\$ 0.11

(a) Weighted average exercise price.

Total charged against operations under the option grants for consulting services was \$Nil and \$195, for the three months ended October 31, 2016 and 2015, respectively. Total charged against operations under the option grants for consulting services was \$215 and \$488, for the six months ended October 31, 2016 and 2015, respectively. These costs are classified as management and administrative expense.

Effective August 1, 2016, the consulting agreement was terminated and all outstanding options issued for consulting services were rescinded by mutual consent of the parties.

Options issued under the 2011 Stock Option/Restricted Plan

The Company established the 2011 Stock Option/Restricted Stock Plan. The Stock Option Plan is administered by the Board of Directors and provides for the grant of stock options to eligible individual including directors, executive officers and advisors that have furnished bona fide services to the Company not related to the sale of securities in a capital-raising transaction.

The Stock Option Plan has a fixed maximum percentage of 10% of the Company's outstanding shares that are eligible for the plan pool, whereby the number of Shares under the plan increases automatically increases as the total number of shares outstanding increase. The number of shares subject to the Stock Option Plan and any outstanding awards will be adjusted appropriately by the Board of Directors if the Company's common stock is affected through a reorganization, merger, consolidation, recapitalization, restructuring, reclassification dividend (other than quarterly cash dividends) or other distribution, stock split, spin-off or sale of substantially all of the Company's assets.

The Stock Option plan also has terms and conditions, including without limitations that the exercise price for stock options granted under the Stock Option Plan must equal the stock's fair market value, based on the closing price per share of common stock, at the time the stock option is granted. The fair value of each option award is estimated on the date of grant utilizing the Black-Scholes model and commonly utilized assumptions associated with the Black-Scholes methodology. Options granted under the Plan have a ten-year maximum term and varying vesting periods as determined by the Board.

On October 18, 2016, the Company rescinded 2,696,667 fully vested options previously granted under the Stock Option plan with a weighted average exercise price of \$0.37. The Company re-issued the options and an additional 2,116,333 options to purchase shares of the Company's common stock, or a total of 4,813,000 options, with an exercise price of \$0.06 per share. The options vested immediately and have a term of 5 years. The difference between the fair value of the options rescinded and the options granted was treated as a re-pricing event and the Company recognized stock-based compensation in the amount of \$126,562 for the three and six months ended October 31, 2016.

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OCTOBER 31, 2016

The Company estimated the fair value of these option grants using the Black-Scholes model with the following information and range of assumptions:

	For the six months ended October 31,	
	2016	2015
Options re-priced/issued	4,810,000	N/A
Expected volatility	329.9%	N/A
Expected term	5 years	N/A
Risk free rate	1.24%	N/A

The following is a summary of the Company's options issued and outstanding in conjunction with the Company's Stock Option Plan:

	For the three and six months ended October 31,			
	2016		2015	
	Options	Price (a)	Options	Price (a)
Beginning balance	2,696,667	\$ 0.37	2,696,667	\$ 0.37
Issued	4,810,000	0.06	-	-
Exercised	-	-	-	-
Expired/Repriced	(2,696,667)	0.37	-	-
Ending balance	<u>4,810,000</u>	<u>\$ 0.06</u>	<u>2,696,667</u>	<u>\$ 0.37</u>

(a) Weighted average exercise price.

The following table summarizes additional information about the options under the Company's Stock Option Plan as of October 31, 2016:

Date of Grant	Options outstanding and exercisable		
	Number	Price (a)	Remaining term (b)
October 18, 2016	4,810,000	0.06	4.97
Total options	<u>4,810,000</u>	<u>\$0.06</u>	<u>4.97</u>

(a) Weighted average exercise price per shares

(b) Weighted average remaining contractual term in years.

The total value of the Plan stock option awards is expensed ratably over the vesting period of the employees receiving the awards. As of October 31, 2016, there was no unrecognized compensation cost related to stock-based options and awards.

Summary:

The following is a summary of the Company's stock options outstanding and exercisable:

STAR GOLD CORP.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2016

	Expiration Date	Options	Weighted Average Exercise Price
Options issued for mining interests	April 22, 2019 through January 15, 2025	375,000	\$ 0.32
Options issued under Stock Option Plan	October 18, 2021	4,810,000	0.06
Outstanding at October 31, 2016		<u>5,185,000</u>	<u>\$ 0.08</u>
Total vest stock options		<u>5,185,000</u>	

The aggregate intrinsic value of all options vested and exercisable at October 31, 2016, was \$203,370 based on the Company's closing price of \$0.102 per common share at October 31, 2016. The Company's current policy is to issue new shares to satisfy option exercises.

NOTE 7 - WARRANTS

The following is a summary of the Company's warrants activity:

	Warrants	Weighted Average Exercise Price
Balance outstanding at April 30, 2015	1,614,400	\$ 0.23
Issued – October 12, 2015	4,241,000	0.20
Balance outstanding at April 30, 2016	5,855,400	\$ 0.21
Issued – October 12, 2016	14,000,000	0.15
Balance outstanding at October 31, 2016	<u>19,855,400</u>	<u>\$ 0.17</u>

The composition of the Company's warrants outstanding at October 31, 2016, is as follows:

Issue Date	Expiration Date	Warrants	Exercise Price
July 29, 2014	July 29, 2019	1,614,400	\$ 0.23
October 12, 2015	October 12, 2020	4,241,000	0.20
October 12, 2016	October 12, 2021	14,000,000	0.15
		<u>19,855,400</u>	<u>\$ 0.17</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATION.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report and the exhibits attached hereto contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statement that expresses or involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates", or "intends", or states that certain actions, events or results "may" or "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- Risks related to the Company's properties being in the exploration stage;
- Risks related to the mineral operations being subject to government regulation;
- Risks related to environmental concerns;
- Risks related to the Company's ability to obtain additional capital to develop the Company's resources, if any;
- Risks related to mineral exploration and development activities;
- Risks related to mineral estimates;
- Risks related to the Company's insurance coverage for operating risks;
- Risks related to the fluctuation of prices for precious and base metals, such as gold, silver and copper;
- Risks related to the competitive industry of mineral exploration;
- Risks related to the title and rights in the Company's mineral properties;
- Risks related to the possible dilution of the Company's common stock from additional financing activities;
- Risks related to potential conflicts of interest with the Company's management;
- Risks related to the Company's shares of common stock;

This list is not exhaustive of the factors that may affect the Company's forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the sections titled "Risk Factors and Uncertainties", "Description of Business" and "Management's Discussion and Analysis" of this Quarterly Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Star Gold Corp. disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by law. The Company advises readers to carefully review the reports and documents filed from time to time with the Securities and Exchange Commission (the "SEC"), particularly the Company's Annual Reports on Form 10-K, reports on Form 10-Q and Current Reports on Form 8-K.

Star Gold Corp qualifies all forward-looking statements contained in this Quarterly Report by the foregoing cautionary statement.

Certain statements contained in this Quarterly Report on Form 10-Q constitute “forward-looking statements.” These statements, identified by words such as “plan,” “anticipate,” “believe,” “estimate,” “should,” “expect,” and similar expressions include the Company’s expectations and objectives regarding its future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption “Management’s Discussion and Analysis or Plan of Operation” and elsewhere in this Quarterly Report.

As used in this Quarterly Report, the terms “we,” “us,” “our,” “Star Gold,” and the “Company”, mean Star Gold Corp., unless otherwise indicated. All dollar amounts in this Quarterly Report are expressed in U.S. dollars, unless otherwise indicated.

Management’s Discussion and Analysis is intended to be read in conjunction with the Company’s financial statements and the integral notes (“Notes”) thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ending April 30, 2016. The following statements may be forward-looking in nature and actual results may differ materially.

Corporate Background

The Company was originally incorporated on December 8, 2006, under the laws of the State of Nevada as Elan Development, Inc. On April 25, 2008, the name of the company was changed to Star Gold Corp. Star Gold Corp. is an exploration stage company engaged in the acquisition and exploration of precious metal deposit properties and advancing them toward production. The Company is engaged in the business of exploring, evaluating and acquiring mineral prospects with the potential for economic deposits of precious and base metals.

Star Gold Corp. currently leases with an option to acquire unpatented mining claims located in the State of Nevada which in part make up what we refer to as the Longstreet Property. The Longstreet Property in its entirety comprises 125 mineral claims (75 original optioned claims, of which 70 are unpatented staked claims and five claims leased from local ranchers), as well as 50 recently staked claims by Star Gold, covering a total area of approximately 2,500 acres (1,012 ha). The Longstreet property is at an intermediate stage of exploration.

The Company has no patents, licenses, franchises or concessions which are considered by the Company to be of importance. The business is not of a seasonal nature. Since the potential products are traded in the open market, the Company has no control over the competitive conditions in the industry.

Overview of Mineral Exploration and Current Operations

Star Gold Corp. is an exploration stage mineral company with no producing mines. Mineral exploration is essentially a research activity that does not produce a product. As such the Company acquires properties which it believes have potential to host economic concentrations of minerals, particularly gold and silver. These acquisitions have and may take the form of obtaining or leasing unpatented mining claims on federal land or on private property owned by third parties. An unpatented mining claim is an interest that can be acquired to the mineral rights on open lands of the federal owned public domain. Claims are staked in accordance with the Mining Law of 1872, recorded with the federal government pursuant to laws and regulations established by the Bureau of Land Management. The Company intends to remain in the business of exploring for mining properties that have the potential to produce gold, silver, base metals and other commodities.

The Company will perform basic geological work to identify specific drill targets on the properties, and then collect subsurface samples by drilling to confirm the presence of mineralization (the presence of economic minerals in a specific area or geological formation). The Company may enter into joint venture agreements with other companies to fund further exploration and/or development work. It is the Company’s plan to focus on assembling a high quality group of mid-stage mineral (primarily gold and silver) exploration prospects, using the experience and contacts of the management group. By such prospects, the Company means properties that have been previously

identified by third parties, (including prior owners and/or exploration companies), as mineral prospects with potential for economic mineralization. Often these properties have been sampled, mapped and sometimes drilled, usually with indefinite results. Accordingly, such acquired projects will have either prior exploration history or will have strong similarity to a recognized geologic ore deposit model. Geographic emphasis will be place on the western United States.

The geologic potential and ore deposit models have been defined and specific drill targets identified the Company's sole remaining property. The Company's property evaluation process involves using basic geologic fieldwork to perform an initial evaluation of a property. If the evaluation is positive, the Company seeks to acquire, either by staking unpatented mining claims on open public domain, or by leasing the property from the owner of private property or the owner of unpatented claims. Once acquired, the Company then typically makes a more detailed evaluation of the property. This detailed evaluation involves expenditures for exploration work which may include rock and soil sampling, geologic mapping, geophysics, trenching, drilling or other means to determine if economic mineralization is present on a property.

Portions of the Company's mining properties are owned by third parties and leased to Star Gold as outlined in the following table:

Property Name	Third Party	Number of Claims	Acres	Agreements/Royalties
				3% Net Smelter Royalty ("NSR") Annual lease payments totaling \$247,000, annual exploration expenditures totaling \$1.75m, and 185,000 shares due through 2020. Annual advance royalty payment of \$12,000.
Longstreet	Minquest	125	2,500	

Compliance with Government Regulations

Continuing to acquire and explore mineral properties in the State of Nevada will be require the Company to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in the State of Nevada and the United States Federal agencies.

United States

Mining in the State of Nevada is subject to federal, state and local law. Three types of laws are of particular importance to the Company's U.S. mineral properties: those affecting land ownership and mining rights; those regulating mining operations; and those dealing with the environment.

Land Ownership and Mining Rights.

On Federal Lands, mining rights are governed by the General Mining Law of 1872 (General Mining Law) as amended, 30 U.S.C. §§ 21-161 (various sections), which allows the location of mining claims on certain Federal Lands upon the discovery of a valuable mineral deposit and proper compliance with claim location requirements. A valid mining claim provides the holder with the right to conduct mining operations for the removal of locatable minerals, subject to compliance with the General Mining Law and Nevada state law governing the staking and registration of mining claims, as well as compliance with various federal, state and local operating and environmental laws, regulations and ordinances. As the owner or lessee of the unpatented mining claims, the Company has the right to conduct mining operations on the lands subject to the prior procurement of required operating permits and approvals, compliance with the terms and conditions of any applicable mining lease, and compliance with applicable federal, state, and local laws, regulations and ordinances.

Mining Operations

The exploration of mining properties and development and operation of mines is governed by both federal and state laws.

The State of Nevada likewise requires various permits and approvals before mining operations can begin, although the state and federal regulatory agencies usually cooperate to minimize duplication of permitting efforts. Among other things, a detailed reclamation plan must be prepared and approved, with bonding in the amount of projected reclamation costs. The bond is used to ensure that proper reclamation takes place, and the bond will not be released until that time. The Nevada Department of Environmental Protection, which is referred to as the NDEP, is the state agency that administers the reclamation permits, mine permits and related closure plans on the Nevada property. Local jurisdictions (such as Eureka County) may also impose permitting requirements (such as conditional use permits or zoning approvals).

Environmental Law

The development, operation, closure, and reclamation of mining projects in the United States requires numerous notifications, permits, authorizations, and public agency decisions. Compliance with environmental and related laws and regulations requires us to obtain permits issued by regulatory agencies, and to file various reports and keep records of the Company's operations. Certain of these permits require periodic renewal or review of their conditions and may be subject to a public review process during which opposition to the Company's proposed operations may be encountered. The Company is currently operating under various permits for activities connected to mineral exploration, reclamation, and environmental considerations. Unless and until a mineral resource is proved, it is unlikely Star Gold Corp. operations will move beyond the exploration stage. If in the future the Company decides to proceed beyond exploration, there will be numerous notifications, permit applications, and other decisions to be addressed at that time.

Competition

Star Gold Corp. competes with other mineral resource exploration and development companies for financing and for the acquisition of new mineral properties and also for equipment and labor related to exploration and development of mineral properties. Many of the mineral resource exploration and development companies with whom the Company competes have greater financial and technical resources. Accordingly, competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford greater geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development. This competition could adversely impact Star Gold Corp.'s ability to finance further exploration and to achieve the financing necessary for the Company to develop its mineral properties.

The Company provides no assurance it will be able to compete in any of its business areas effectively with current or future competitors or that the competitive pressures faced by the Company will not have a material adverse effect on the business, financial condition and operating results.

Office and Other Facilities

Star Gold Corp. currently maintains its administrative offices at 611 E. Sherman Avenue, Coeur d'Alene, ID 83814. The telephone number is (208) 664-5066. Star Gold Corp. does not currently own title to any real property.

Employees

The Company has no employees other than its executive officers as of the date of this Annual Report on Form 10-K. Star Gold Corp. conducts business largely through independent contractor agreements with consultants.

Research and Development Expenditures

The Company has not incurred any research expenditures since incorporation.

Reports to Security Holders

The Registrant does not issue annual or quarterly reports to security holders other than the annual Form 10-K and quarterly Forms 10-Q as electronically filed with the SEC. Electronically filed reports may be accessed at www.sec.gov. Interested parties also may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 450 Fifth Street NW, Washington, DC 20549. Information may be obtained on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

PLAN OF OPERATION

The Company maintains a corporate office in Coeur d'Alene, Idaho. This is the primary administrative office for the Company and is utilized by Board Chairman Lindsay Gorrill and Chief Financial Officer Kelly Stopher.

In the past year the Company completed the following:

- Star Gold Corp Board formally decided to proceed with the studies necessary to allow an EIS document to be produced with the goal of obtaining a mine permit to be issued at Longstreet.
- Met with representatives from USFS and BLM and other stakeholders as to an agreed pathway to proceed through to an EIS document.

In 2016 the following studies were commenced:

1. Fauna and Flora studies – late 2015 and completed June 2016.
2. Water rights negotiations and requirements commenced in late 2015 and will be ongoing.
3. Cultural Resource Studies began in July 2016.

With the exception of hydrology related drilling, the Company does not intend to drill further at Longstreet deposit until permitting has been completed.

Funds raised pursuant to our most recent private placement (see Note 5) are intended to finish all necessary studies and should be sufficient to progress from completing the necessary studies and into preparing an Environmental Impact Statement.

The preliminary budget for Fiscal Year End April 2017:

STAR GOLD CORP. – LONGSTREET Au-Ag PROJECT, NEVADA

Permit fees	\$	45,000
Flora and fauna contractor		30,000
Cultural studies		130,000
Water rights costs		65,000
Geochemistry		40,000
Engineering for pads, air, permit, initial plan		85,000
Aerial mapping		15,000
Plan of Operations		80,000
Project management		33,000
Hydrology		120,000
Contingency		<u>34,000</u>

Total

\$ 677,000

The hydrology work is contingent on securing additional financing.

Based upon the current condition of the capital markets, mineral prices and the state of the Longstreet project, management reasonably believes it can source additional capital in the investment markets in the coming months and years. The Company may also consider other sources of funding, including potential mergers, joint ventures and/or farm-out a portion of its exploration properties.

Future liquidity and capital requirements depend on many factors including timing, cost and progress of the Company's exploration efforts. The Company will consider additional public offerings, private placement, mergers or debt instruments.

Additional financing will be required in the future to complete all necessary steps to apply for final permits required to allow the Company to commence any construction of our mining facilities and to begin production of any minerals present in economically viable quantities. Although the Company believes it will be able to source additional financing there are no guarantees any needed financing will be available at the time needed or on acceptable terms, if at all. If the Company is unable to raise additional financing when necessary, it may have to delay exploration efforts or property acquisitions, or be forced to cease operations. Collaborative arrangements may require the Company to relinquish rights to certain of its mining claims.

RESULTS OF OPERATIONS

The Company has earned no revenues from operations in 2016 or 2015 and does not anticipate earning any revenues, from operations, in the foreseeable future. Star Gold Corp. is an exploration stage company and presently is seeking additional business opportunities.

	For the three months ended October 31,			
	2016	2015	\$ Change	% Change
Mineral exploration expense	\$ 43,669	\$ 86,231	\$ (42,562)	(49.4%)
Legal and professional fees	20,737	11,480	9,257	80.6%
Management and administrative	209,244	21,268	187,976	883.8%
Depreciation	1,351	1,351	-	0.0%
Other expense (income)	565	359	206	57.4%
NET LOSS	<u>\$ 275,566</u>	<u>\$ 120,689</u>	<u>\$ 154,877</u>	<u>128.3%</u>

Total expenses for the three months ended October 31, 2016 of \$275,566 increased \$154,877 from total expenses of \$120,689 for the comparable period ended October 31, 2015. The Company reduced field exploration and drilling activities during the three months ended October 31, 2016 compared to the prior period.

	For the six months ended October 31,			
	2016	2015	\$ Change	% Change
Mineral exploration expense	\$ 144,466	\$ 199,686	\$ (55,220)	(27.7%)
Legal and professional fees	49,511	33,214	16,297	49.1%
Management and administrative	236,079	47,428	188,651	397.8%
Depreciation	2,701	2,701	-	0.0%
Other expense (income)	2,375	2,680	(305)	(11.4%)
NET LOSS	<u>\$ 435,132</u>	<u>\$ 285,709</u>	<u>\$ 149,423</u>	<u>52.3%</u>

Total expenses for the six months ended October 31, 2016 of \$435,132 increased \$149,424 from total expenses of \$285,708 for the comparable period ended October 31, 2015. The Company reduced field exploration and drilling activities during the six months ended October 31, 2016, compared to the prior period.

Mineral exploration and consultants expense

	For the six months ended October 31,		\$ Change	% Change
	2016	2015		
Drilling and field work	\$ 965	\$ -	\$ 965	N/A
Environmental and permitting	42,704	82,853	(40,149)	(48.5%)
Technical consultants	-	3,378	(3,378)	(100.0%)
Claims	-	-	-	N/A
Total mineral exploration expense	\$ 43,669	\$ 86,231	\$ (42,562)	(49.4%)

Mineral exploration expense for the three months ended October 31, 2016 was \$43,669 a decrease of \$42,562 from the three months ended October 31, 2015 expense of \$86,231. During the three months ended October 31, 2015, the Company engaged technical consultants, engineers and biologists to conduct studies and activities related to the environmental and permitting phase on the Longstreet project.

	For the six months ended October 31,		\$ Change	% Change
	2016	2015		
Drilling and field work	\$ 3,068	\$ 4,891	\$ (1,823)	(37.3%)
Environmental and permitting	117,680	146,482	(28,802)	(19.7%)
Technical consultants	-	18,676	(18,676)	(100.0%)
Claims	23,718	29,637	(5,919)	(20.0%)
Total mineral exploration expense	\$ 144,466	\$ 199,686	\$ (55,220)	(27.7%)

Mineral exploration expense for the six months ended October 31, 2016, was \$144,466 compared to \$199,686 for the six months ended October 31, 2015. Claims expense decreased \$5,919 for the six month comparable period as a result of the Company's non-renewal of its Excalibur property agreement.

Environmental and permitting expenses decreased from \$146,482 for the six months ended October 31, 2015, to \$117,680 for the six months ended October 31, 2016. The Company performed extensive flora and fauna studies in 2015 which did not recur in 2016. Technical consultants engaged during the six months ended October 31, 2015 were reclassified in 2016 to project management roles.

The emphasis on exploration expense in the current year is on conducting environmental and engineering work geared toward permitting of an open pit heap leach pad operation at Longstreet rather than additional exploratory drilling.

Legal and professional fees

	For the three months ended October 31,		\$ Change	% Change
	2016	2015		
Audit and accounting	\$ 5,925	\$ 5,704	\$ 221	3.9%
Legal fees	12,397	4,975	7,422	149.2%
Public company expense	990	501	489	97.6%
Investor relations	1,425	300	1,125	375.0%
Total legal and professional fees	<u>\$ 20,737</u>	<u>\$ 11,480</u>	<u>\$ 9,257</u>	<u>80.6%</u>

Total legal and professional fees increased \$9,257 for the three months ended October 31, 2016 from the three months ended October 31, 2015. This is primarily related to professional fees incurred with respect to the Company's private placement documentation and filings.

Legal fees increased \$7,422 (149.2) for the three months ended October 31, 2016 from the three months ended October 31, 2015. The increase in legal fees was a result of ongoing legal matters related to corporate governance and private placements.

Audit and accounting fees for the three months ended October 31, 2016 increased \$221 (3.9%) compared to the three months ended October 31, 2015. The annual audit of the Company's financial statements came in on budget. The Company expects its audit and accounting fees for the subsequent fiscal quarter to remain relatively constant per a fixed fee engagement with the audit firm.

	For the six months ended October 31,		\$ Change	% Change
	2016	2015		
Audit and accounting	\$ 20,609	\$ 23,204	\$ (2,595)	(11.2%)
Legal fees	16,167	9,515	6,652	69.9%
Public company expense	11,310	(179)	11,489	(6,418.4%)
Investor relations	1,425	674	751	111.4%
Total legal and professional fees	<u>\$ 49,511</u>	<u>\$ 33,214</u>	<u>\$ 16,297</u>	<u>49.1%</u>

For the six months ended October 31, 2016, total legal and professional fees increased \$16,297 over the six months ended October 31, 2015. This is primarily related to annual market listing fees paid during the six month period.

Legal fees increased \$6,652 for the six months ended October 31, 2016 compared to the six months ended October 31, 2015. The increase in legal fees was a result of ongoing legal matters related to corporate governance and private placements.

Audit and accounting fees for the six months ended October 31, 2016 decreased \$2,595 compared to the six months ended October 31, 2015. The annual audit of the Company's financial statements came in on budget.

Management and administrative expense

	For the three months ended October 31,		\$ Change	% Change
	2016	2015		
Auto and travel	\$ 11,448	\$ -	\$ 11,448	N/A
General administrative and insurance	49,550	8,545	41,005	479.9%
Management fees and payroll	12,159	11,450	709	6.2%
Office and computer expense	2,551	801	1,750	218.5%
Rent and lease expense	4,750	-	4,750	N/A
Stock based compensation	126,562	195	126,367	64,803.6%
Telephone and utilities	2,224	277	1,947	702.9%
Total management and administrative	<u>\$ 209,244</u>	<u>\$ 21,268</u>	<u>\$ 187,976</u>	<u>883.8%</u>

Management and administrative expenses increased \$187,976 to \$209,244 for the three months ended October 31, 2016 compared to 2015 expenses of \$21,268 resulting primarily from repricing and issuance of stock options in the current quarter. Stock options are a non-cash expense.

General administrative and insurance expense increased \$41,005 for the three months ended October 31, 2016 compared to the three months ended October 31, 2015 as a result of an advertising and investor awareness expense of \$40,800.

	For the six months ended October 31,		\$ Change	% Change
	2016	2015		
Auto and travel	\$ 15,647	\$ 1,305	\$ 14,342	1,099.0%
General administrative and insurance	58,300	17,035	41,265	242.2%
Management fees and payroll	25,454	22,884	2,570	11.2%
Office and computer expense	2,927	2,406	521	21.7%
Rent and lease expense	4,750	2,500	2,250	90.0%
Stock based compensation	126,777	486	126,291	25,985.8%
Telephone and utilities	2,224	812	1,412	173.9%
Total management and administrative	<u>\$ 236,079</u>	<u>\$ 47,428</u>	<u>\$ 188,651</u>	<u>397.8%</u>

Management and administrative expenses of \$236,079 for the six months ended October 31, 2016 increased \$188,651 compared to 2015 expenses of \$47,428 resulting primarily from repricing and issuance of stock options in the current quarter. Stock options are a non-cash expense.

Auto and travel increased \$14,342 for the six months ended October 31, 2016 compared to the six months ended October 31, 2015 related to increased travel related to raising capital.

General administrative and insurance expense increased \$41,265 for the six months ended October 31, 2016 compared to the six months ended October 31, 2015 as a result of an advertising and investor awareness expense of \$40,800.

LIQUIDITY AND FINANCIAL CONDITION

BALANCE SHEET INFORMATION

	October 31, 2016	April 30, 2016
Working capital (deficit)	\$ 293,775	\$ (70,571)
Total assets	708,768	358,202
Accumulated deficit	9,752,641	9,317,509
Stockholders' equity	650,724	259,079

WORKING CAPITAL

	October 31, 2016	April 30, 2016
Current assets	\$ 351,819	10,552
Current liabilities	58,044	81,123
Working capital (deficit)	\$ 293,775	(70,571)

CASH FLOWS

	For the six months ended October 31,	
	2016	2015
Cash flow used by operating activities	\$ (318,553)	\$ (214,600)
Cash flow used by investing activities	(12,000)	(12,000)
Cash flow provided by financing activities	667,000	334,521
Net increase in cash during period	\$ 336,447	\$ 107,921

The Company total assets increased to \$708,768 at October 31, 2016 compared to \$358,202 at April 30, 2016, primarily as a result of an increase in cash balance related to the private placement of the Company's common stock.

Equipment and mining interest, net of depreciation increased from \$326,050 at April 30, 2016 to \$335,349 at October 31, 2016 as a result of the acquisition of additional mining interests in thee Clifford claims at the Longstreet Property.

At October 31, 2016, the Company had a working capital of \$293,775 primarily related to cash balance from the Company's most recent private placement of its securities.

The Company is in compliance with all obligations of the Longstreet Property Option Agreement including required cumulative exploration expenditures.

As of October 31, 2016, the Company had cash of \$338,232. Since inception, the sources of the Company's financing have been through offerings of its equity and debt securities. Star Gold Corp. has not attained profitable operations and its ability to pursue any future plan of operation is likely dependent upon the Company's ability to obtain additional financing in the future.

Star Gold Corp. anticipates continuing to rely on sales of its debt and/or equity securities in order to continue to fund ongoing operations. Issuances of additional shares of common stock may result in dilution to the Company's existing stockholders. There is no assurance that the Company will be able to complete any additional sales of equity securities or that it will be able arrange for other financing to fund its planned business activities.

The Company completed as of October 31, 2016, a private placement offering that raised a total of \$700,000. The private placement consisted of the sale of Units at \$0.05 per Unit. Each Unit consists of one common share of the Company's common stock and one common share purchase warrant. Each Warrant is exercisable no later than sixty months from the date of issuance thereof to purchase one Common Share of the Company's stock at an exercise

price of \$0.15. Once the Company has obtained all permits necessary to begin site development and construction at its Longstreet Project, the Company, at its sole discretion, may call the Warrants as due and exercisable by providing the Warrant holders of Warrants with 60 days' written notice.

Disruptions in the credit and financial markets over the past several years have had a material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. The prices for gold, silver and other base metals have also recently been subject to fluctuations which have had a material adverse impact on mining related companies' ability to raise capital. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase the cost of obtaining, capital and financing for operations. Access to additional capital may not be available to terms acceptable to the Company or at all.

The Company's continuation as a going concern or ultimately to attain profitability is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing as may be required and to further develop its properties. Potential sources of cash, or relief of demand for cash, include additional external debt, the sale of shares of the Company's stock or alternative methods such as joint ventures, mergers or sale(s) of the Company's assets. No assurances can be given, however, that the Company will be able to obtain any of these potential sources of cash. The Company currently requires additional cash funding from outside sources to sustain existing operations and to meet current obligations and ongoing capital requirements.

The Company's plans for its long-term continuation as a going concern include financing future operations through sales of our common stock and/or debt and the eventual profitable exploitation of the Company's mining properties. These plans may also, at some future point, include the formation of mining joint ventures with senior mining company partners on specific mineral properties whereby the joint venture partner would provide the necessary financing in return for an interest in the Company's properties and/or any minerals it may produce in the future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not hold any derivative instruments and does not engage in any hedging activities.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of its President and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting in accordance with accounting principles generally accepted in the United States of America. Management evaluates the effectiveness of the Company's internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – "Integrated Framework."

Management, under the supervision and with the participation of the Company's President and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2016, and concluded that it is ineffective in assuring that the financial reports of the Company are free from material errors or misstatements.

Management has identified one material weakness and is taking action to remedy and remove the weakness in its internal controls over financial reporting:

- Inappropriate Segregation of Duties, as the same Officer was responsible for initiating and recording transactions, thereby creating segregation of duties weakness.

Management's Remediation Initiatives .

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks.

The Company clearly recognizes, and continues to recognize, the importance of implementing and maintaining disclosure controls and procedures and internal controls over financial reporting and is working to implement an effective system of controls. Management is currently evaluating avenues for mitigating the Company's internal controls weaknesses, but mitigating controls that are practical and cost effective may not be found based on the size, structure, and future existence of the organization, Since the Company has not generated any significant revenues, the Company is limited in its options for remediation efforts. Management, within the confines of its budgetary resources, will engage its outside accounting firm to assist with an assessment of the Company's internal controls over financial reporting as of October 31, 2016,.

Changes in internal controls over financial reporting

There have been no material changes in internal controls over financial reporting during the quarter ended October 31, 2016.

PART II - OTHER INFORMATION

ITEM 1.LEGAL PROCEEDINGS

Star Gold Corp. is not a party to any material legal proceedings and, to Management's knowledge, no such proceedings are threatened or contemplated. No director, officer or affiliate of Star Gold Corp. and no owner of record or beneficial owner of more than 5% of the Company's securities or any associate of any such director, officer or security holder is a party adverse to Star Gold Corp. or has a material interest adverse to Star Gold Corp. in reference to pending litigation.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors as previously disclosed in the Company's Form 10-K for the year ended April 30, 2016 which was filed with the SEC on August 15, 2016.

ITEM 2.RECENT SALES OF UNREGISTERED SECURITIES

None.

ITEM 3.DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. The Company is in the exploration stage and has no operations.

ITEM 5.OTHER INFORMATION.

None

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
3.1	Articles of Incorporation. ⁽¹⁾
3.2	Bylaws, as amended. ⁽¹⁾
4.1	Form of Share Certificate. ⁽¹⁾
10.1	Purchase Agreement dated June 22, 2004 between Guy R. Delorme and Star Gold Corp. ⁽¹⁾
10.2	Declaration of Trust executed by Guy R. Delorme. ⁽¹⁾
14.1	Code of Ethics. ⁽²⁾
31.1	Certification of Principal Executive Officer and Principal Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer and Principal Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS(2)	XBRL Instance
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation
101.DEF*	XBRL Taxonomy Extension Definition
101.LAB*	XBRL Taxonomy Extension Labels
101.PRE*	XBRL Taxonomy Extension Presentation
(1)	Filed with the SEC as an exhibit to the Company's Registration Statement on Form SB-2 originally filed on June 14, 2007, as amended.
(2)	Filed with the SEC, on February 02, 2012, as an exhibit to form 8-K.
(*)	XBRL Information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STAR GOLD CORP.

Date: December 15, 2016 By: /s/ David Segelov
President
(Principal Executive Officer)

Date: December 15, 2016 By: /s/Kelly J. Stopher
Kelly J. Stopher
Chief Financial Officer and Secretary
(Principal Financial Officer)

**CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

Rule 13a-14(a)/15d-14(a) Certifications.

I, David Segelov, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Star Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) of the registrant, and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information;

and

- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: December 15, 2016

/s/ David Segelov

David Segelov

President

Exhibit 32.1 Certification of Chief Financial Officer

Pursuant to Section 302 of Sarbanes-Oxley Act

I, Kelly J. Stopher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Star Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13(a)-15(f) of the registrant, and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: December 15, 2016

/s/ KELLY J. STOPHER

Kelly J. Stopher

Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Star Gold Corp. a Nevada corporation (the "Company") on Form 10-Q for the period ending October 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Segelov, Chief Executive Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Star Gold Corp., and will be retained by Star Gold Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ David Segelov

David Segelov

President

December 15, 2016

