Golden Predator Mining Corp.

(An exploration stage company)

Financial Statements

Years ended December 31, 2015 and 2014

April 22, 2016

Independent Auditor's Report

To the Shareholders of Golden Predator Mining Corp.

We have audited the accompanying consolidated financial statements of Golden Predator Mining Corp., which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014 and the consolidated statements of comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes, which comprise significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Golden Predator Mining Corp. as at December 31, 2015 and December 31, 2014 and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty casting significant doubt on Golden Predator Mining Corp.'s ability to continue as a going concern.

(Signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

Golden Predator Mining Corp.

Consolidated Statements of Financial Position
(in Canadian dollars)

	December 31, 2015	December 31, 2014
Assets		
Current assets		
Cash	$ 174,797	$ 134,742
Investments (note 5d)	42,884	119,110
Accounts receivable	6,809	18,284
Prepaid expenses and deposits	20,746	72,046
Derivative asset (note 6)	-	1,061,665
	245,236	1,405,847
Derivative asset (note 6)	-	2,957,771
Reclamation bonds (note 7)	488,663	823,000
Equipment (note 4)	195,142	372,080
Mineral properties (note 5)	7,050,017	8,228,599
	$ 7,979,058	**$ 13,787,297**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 356,360	$ 786,608
Loans payable (note 8)	222,753	-
Promissory note (note 6)	572,710	1,100,000
	1,151,823	1,886,608
Non-current liabilities		
Promissory note (note 6)	2,916,202	3,089,333
	4,068,025	4,975,941
Shareholders' equity		
Share capital (note 9)	28,645,709	28,171,881
Contributed surplus	2,707,886	2,649,276
Accumulated other comprehensive loss	(38,804)	(22,660)
Deficit	(27,403,758)	(21,987,141)
	3,911,033	8,811,356
	$ 7,979,058	**$ 13,787,297**

Nature of operations and going concern (note 1)
See accompanying notes to these consolidated financial statements.

Approved by the board of directors

"Dennis Fentie" Director *"Bradley Thiele"* Director

Golden Predator Mining Corp.

Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2015 and 2014
(in Canadian dollars)

	2015	2014
Expenses		
Exploration (note 10)	$ 379,770	$ 1,034,918
Write-off of mineral properties (note 5)	1,128,241	58,122
General and administrative (note 11)	400,480	657,065
Government grant	(32,986)	—
Net loss on operating activities	(1,875,505)	(1,750,105)
Other income (expense)		
Sale of data	—	63,000
Interest income	—	7,989
Gain (loss) on derivative asset (note 6)	(2,952,405)	2,007,031
Interest expense on promissory note (note 6)	(525,137)	(444,625)
Interest expense on loans payable	(5,384)	—
Realized loss on investments	(39,366)	—
Foreign exchange gain/(loss)	(42,815)	30,795
Sale of fixed assets	23,995	—
Net loss	$ (5,416,617)	$ (85,915)
Items that may be reclassified to net loss		
Realized loss on sale of investments	39,366	—
Unrealized loss on available-for-sale investments	(55,510)	(22,660)
Comprehensive loss	$ (5,432,761)	$ (108,575)
Basic and diluted loss per share	**$(0.18)**	**$(0.01)**
Weighted average number of common shares outstanding	30,520,392	22,034,798

See accompanying notes to these consolidated financial statements.

Golden Predator Mining Corp.

Consolidated Statements of Cash Flows
For the years ended December 31, 2015 and 2014
(in Canadian dollars)

	2015	2014
Cash provided by (used in):		
Operating activities:		
Net loss	$ (5,416,617)	$ (85,915)
Adjustments for:		
Depreciation	202,965	274,983
Foreign exchange gain	26,131	—
Interest expense	525,137	444,625
Interest expense on loans payable	5,384	—
(Gain)/Loss on derivative on promissory note (note 6)	2,952,405	(2,007,031)
Impairment of mineral properties (note 5)	1,128,241	58,122
Stock-based compensation	58,610	—
Disposal of field equipment	2,559	—
Loss on investments	39,366	—
Other	—	14,506
Net change in non-cash working capital (note 12)	(117,803)	(180,154)
	(593,622)	**(1,480,864)**
Financing activities:		
Proceeds of private placements	—	1,607,097
Loan proceeds	217,369	—
Share issuance costs	—	(9,500)
Repayment of demand loan	—	(20,000)
Proceeds of loans from AMB	—	400,833
Cash acquired in business combination	—	6,803
	217,369	**1,985,233**
Investing activities:		
Acquisition of mineral properties	(31,991)	(415,941)
Acquisition of capital asset	(28,586)	—
Option payment received	50,000	—
Proceeds from sale of investments	53,048	—
Proceeds from sale of field equipment	—	18,000
Release of reclamation bonds	373,837	25,400
	416,308	**(372,541)**
Change in cash	**40,055**	**131,828**
Cash – beginning of year	134,742	2,914
Cash – end of year	**$ 174,797**	**$ 134,742**

Non-cash financing and investing activities (note 12(b))

See accompanying notes to these consolidated financial statements.

Golden Predator Mining Corp.

Consolidated Statements of Changes in Equity
For the years ended December 31, 2015 and 2014
(in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance, December 31, 2013	8,309,690	$ 23,627,864	$ 2,632,100	$ —	$(21,901,226)	$ 4,358,738
Private Placements	6,785,714	1,890,500	—	—	—	1,890,500
Acquisition of mineral properties	57,143	14,000	—	—	—	14,000
Acquisition of Redtail Metals (note 3)	4,773,405	1,002,415	—	—	—	1,002,415
Acquisition of Brewery Creek (note 3)	1,571,429	330,000	—	—	—	330,000
Retirement of debt	6,224,298	1,307,102		—	—	1,307,102
Stock-based compensation	—	—	17,176	—	—	17,176
Other comprehensive loss	—	—	—	(22,660)	—	(22,660)
Net loss	—	—	—	—	(85,915)	(85,915)
Balance, December 31, 2014	27,721,679	$ 28,171,881	$ 2,649,276	$ (22,660)	$(21,987,141)	$ 8,811,356
Stock-based compensation	—	—	58,610	—	—	58,610
Shares issued (note 6)	3,948,571	473,828	—	—	—	473,828
Other comprehensive loss	—	—	—	(16,144)	—	(16,144)
Net loss	—	—	—	—	(5,416,617)	(5,416,617)
Balance, December 31, 2015	31,670,250	$ 28,645,709	$ 2,707,886	$ (38,804)	$(27,403,758)	$ 3,911,033

See accompanying notes to these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Predator Mining Corp. ("Golden Predator" or the "Company") was incorporated under the Business Corporations Act (Alberta) on April 29, 2008. The Company's head office is located at #510 - 580 Hornby Street, Vancouver BC V6C 3B6. Golden Predator is in the business of acquiring and exploring mineral properties in Canada and the United States.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company has no source of operating cash flow and operations to date have been funded primarily from the issue of share capital. At December 31, 2015, the Company has a deficit of $27,403,758 (2014 - $21,987,141) and incurred a net loss of $5,416,617 (2014 - $85,915). At December 31, 2015, the Company has a working capital deficiency of $906,587 (2014 - $480,761) and will require additional financing in order to meet obligations as they become due.

Management estimates that it currently does not have adequate working capital to fund all of its planned activities for the next fiscal year. The Company's continued operations are dependent on its ability to raise additional funding from loans or equity financings or through other arrangements. There is no assurance that future financing initiatives will be successful. These conditions give rise to a material uncertainty which casts significant doubt on the Company's ability to continue as a going concern and, therefore, its ability to realize its assets and discharge its liabilities in the normal course of business.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern adjustment appropriate. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary Golden Predator Exploration Ltd.

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full.

Where necessary, adjustments are made to the results of the subsidiaries and entities to bring their accounting policies in line with those used by the Company.

b. Basis of presentation and measurement

These consolidated financial statements are based on IFRS, as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value, and are presented in Canadian dollars, which is the Company's functional currency. The consolidated financial statements were authorized for issue by the board of directors on April 22, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Cash and cash equivalents

Cash and cash equivalents comprise cash on deposit with banks, and highly liquid short-term interest- bearing investments with a term to maturity at the date of purchase of 90 days or less which are subject to an insignificant risk of change in value.

d. Reclamation bonds

Reclamation bonds include bonds that have been pledged for reclamation and closure activities and that are not available for immediate disbursement.

e. Property, plant and equipment

Equipment is originally recorded at cost at the time of purchase and is subsequently measured at cost less accumulated depreciation and impairment. Costs include all costs required to bring the item into its intended use by the Company.

Costs incurred for major overhauls of existing equipment are capitalized and are subject to depreciation once they are commissioned. The costs of routine maintenance and repairs are expensed as incurred.

Equipment is amortized over the remaining useful life of the asset as follows:

Field equipment	4 - 5 year straight-line
Camp equipment	5 year straight-line
Computer equipment	30% declining balance
Camp	5 year straight-line
Vehicle	30% straight-line

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

f. Mineral properties

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Exploration and evaluation expenditures incurred during the exploration and evaluation phase are expensed as incurred and included in profit or loss. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of production.

If it is determined that capitalized acquisition costs are not recoverable, or the property is abandoned or management has determined that there is an impairment in value, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After all costs relating to a property have been recovered, further payments received are recorded as a gain on option or disposition of mineral property.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Provision for environmental reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future reclamation costs is capitalized to the related asset along with a corresponding increase in the reclamation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the reclamation provision. The increase in the provision due to the passage of time is recognized as interest expense. The Company has determined that it has no reclamation provision obligations at December 31, 2015.

h. Impairment of tangible and intangible assets

The Company assesses at each reporting period whether there is an indication that an asset or group of assets may be impaired. When impairment indicators exist, the Company estimates the recoverable amount of the asset and compares it to the asset's carrying amount. The recoverable amount is the higher of the fair value less cost to sell and the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If the carrying value exceeds the recoverable amount, an impairment loss is recorded in the statement of loss during the period.

Reversals of impairment arise from subsequent reviews of the impaired assets where the conditions which gave rise to the original impairments are deemed no longer to apply. The carrying value of the asset is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as a gain in the statement of loss in the period it is determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Financial Instruments

Recognition

Financial instruments are recognized on the consolidated balance sheet on the date on which the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, canceled or expires.

All financial instruments are required to be classified and measured at fair value on initial recognition. Measurement in subsequent periods is dependent upon the classification of the financial instrument.

At initial recognition, the Company classifies its financial instruments in the following categories:

Loans and receivables

Loans and receivables include cash and cash equivalents, reclamation bonds, and other current receivables and loans that have fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate.

Financial liabilities at amortized cost

Financial liabilities at amortized cost include trade payables and the promissory note payable. Trade payables are initially recognized at the amount required to be paid. Promissory notes are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

Available-for-sale investments

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from re-measurement are recognized in other comprehensive loss. When an available- for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive loss to the statement of loss.

The Company assesses at the end of each reporting period whether there is objective evidence that an available-for-sale investment is impaired. If an impairment of an available-for-sale investment has been recorded in profit, it is not reversed in future periods.

Financial assets at fair value through profit or loss

Derivative instruments, including embedded derivatives, are recorded at fair value through profit or loss and, accordingly, are recorded on the balance sheet at fair value. Unrealized gains and losses on derivatives are recorded in profit in the period in which they arise. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the balance sheet date or settlement date of the derivative.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j. Share-based compensation

The Company grants share based awards in the form of share options in exchange for the provision of services from certain employees, officers, and directors. The share options are equity settled awards. The Company determines the fair value of the awards on the date of grant using the Black-Scholes model. This fair value is charged to loss using a graded vesting attribution method over the vesting period of the options, with a corresponding credit to contributed surplus. When the share options are exercised, the applicable amounts of contributed surplus are transferred to share capital. At the end of the reporting period, the Company updates its estimate of the number of awards that are expected to vest and adjust the total expense to be recognized over the vesting period.

k. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current tax payable, if any, is based on taxable earnings for the year.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable earnings will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable earnings nor the accounting earnings. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and investments, and interests in joint ventures, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to earnings, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Income tax assets and liabilities are offset when there is a legally enforceable right to offset the assets and liabilities and when they relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

l. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In periods of loss basic and diluted earnings per share are the same as the effect of issuance of additional shares is anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m. Critical accounting estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from the amounts included in the financial statements.

Areas of estimation and judgment that have the most significant effect on the amounts recognized in the financial statements are:

Valuation of mineral properties - The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the company's future plans to explore and evaluate a mineral property.

Fair value of derivatives and other financial instruments - The Company's promissory notes are financial liabilities that previously contained both a derivative and non-derivate host component. The fair values of embedded derivatives, not traded in an active market, were determined using valuation techniques. The Company used its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Promissory Note was amended in the third quarter of 2015 to remove the share settlement option, thus as of December 31, 2015, there is no derivative asset related to the Promissory Note.

n. New accounting standards and interpretation

Effective (proposed) for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

On January 13, 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of IFRS 16 on its financial statements.

(in Canadian dollars)

3. MERGER WITH REDTAIL METALS CORP. AND ACQUISITION OF BREWERY CREEK PROJECT

On April 17, 2014, the Company completed a merger ("Merger") with Redtail Metals Corp. ("RTZ") and related transactions.

a) Merger with Redtail Metals Corp.

The assets of RTZ include the Marg, Clear Lake, Lucky Joe and Babine properties in Yukon as well as other mineral properties. The transaction has been accounted for as a purchase of assets. In consideration for the acquired assets, the Company issued 4,773,405 common shares to former RTZ shareholders with a fair value of $1,002,415.

The following table sets forth the fair values of the assets acquired and the liabilities assumed:

Cash	$	6,803
Investments		141,770
Prepaid expenses and deposits		78,074
Mineral Properties		1,015,028
Accounts payable and accrued liabilities		(239,260)
	$	1,002,415

In addition to the consideration paid, the Company incurred $34,528 in acquisition-related costs which were capitalized to mineral properties resulting in total mineral properties additions at April 17, 2014 of $1,049,556.

b) Acquisition of Brewery Creek project

On April 17, 2014, the Company completed the acquisition of all of the Yukon assets previously held by Americas Bullion Royalty Corp. ("AMB"), including Brewery Creek and AMB's accumulated tax losses (the "Acquisition") from Till Capital Ltd. ("Till Capital"). The Acquisition was accounted for as an asset purchase.

In consideration for the acquired assets, the Company:

- issued Till Capital 1,571,429 common shares of the Company;
- issued Till Capital a promissory note with a face value of $4,700,000, and a stated interest of 6.00% per annum, payable over a period of three years (note 5); and
- granted Till Capital a royalty interest in each of the Company's properties held at closing.

During the year ended December 31, 2015, the Company entered into an Amending Agreement with Till Capital (Note 5).

The fair value of the consideration paid for the AMB Yukon assets was calculated as follows:

Common shares issued on closing	$	330,000
Promissory note		3,968,830
Derivative asset		(2,012,405)
	$	2,286,425

(in Canadian dollars)

3. MERGER WITH REDTAIL METALS CORP. AND ACQUISITION OF BREWERY CREEK PROJECT (CONT'D)

b) Acquisition of Brewery Creek project (cont'd)

The following table sets forth the allocation of the fair value of the purchase consideration:

Prepaid expenses and deposits	$	13,928
Equipment		396,472
Reclamation bonds		848,400
Mineral properties		1,227,607
Accounts payable and accrued liabilities		(199,982)
	$	2,286,425

In addition to the consideration paid, the Company incurred $85,425 in acquisition-related costs which were capitalized to mineral properties resulting in total mineral properties additions at April 17, 2014 of $1,313,032. Following the Acquisition, AMB changed its name to Golden Predator Exploration, Ltd. ("GPE").

c) Related transactions

Additional transactions that occurred concurrently with the Merger and Acquisition include:

- 6,428,571 common shares were issued in a private placement to Till Capital for proceeds of $1,800,000;
- 357,143 flow-through common shares were issued to certain other private placement subscribers for proceeds of $100,000;
- 2,414,774 common shares were issued to Till Capital in satisfaction of outstanding debts of the Company and RTZ totaling $507,103; and
- 3,809,524 common shares were issued to Till Capital upon conversion of the convertible portion ($800,000) of the Grew Creek promissory notes.

Following the Merger, Acquisition and additional transactions that occurred concurrently with the Merger and Acquisition, Till Capital became the controlling shareholder of the Company.

(in Canadian dollars)

4. EQUIPMENT

	Field equipment	Camp and camp equipment	Vehicles	Office equipment	Capital leases	Total
Cost						
Balance – December 31, 2013	$ 167,962	$ 369,257	$ —	$ 8,485	$ —	$ 545,704
Additions	239,223	—	93,890	21,010	42,350	396,473
Disposals	(28,750)	—	—	—	—	(28,750)
Balance – December 31, 2014	$ 378,435	$ 369,257	$ 93,890	$ 29,495	$ 42,350	$ 913,427
Additions	28,585	—	—	—	—	28,585
Disposals	—	—	—	(8,485)	—	(8,485)
Balance – December 31, 2015	$ 407,020	$ 369,257	$ 93,890	$ 21,010	$ 42,350	$ 933,527
Accumulated Depreciation						
Balance – December 31, 2013	$ 91,374	$ 184,630	$ —	$ 4,535	$ —	$ 280,539
Depreciation	123,022	73,852	38,509	9,451	30,149	274,983
Disposals	(14,175)	—	—	—	—	(14,175)
Balance – December 31, 2014	$ 200,221	$ 258,482	$ 38,509	$ 13,986	$ 30,149	$ 541,347
Depreciation	81,437	73,852	28,167	7,308	12,201	202,965
Disposals	—	—	—	(5,927)	—	(5,927)
Balance – December 31, 2015	$ 281,658	$ 332,334	$ 66,676	$ 15,367	$ 42,350	$ 738,385
Net book value						
Balance – December 31, 2014	$ 178,214	$ 110,775	$ 55,381	$ 15,509	$ 12,201	$ 372,080
Balance – December 31, 2015	$ 125,362	$ 36,923	$ 27,214	$ 5,643	$ —	$ 195,142

(in Canadian dollars)

5. MINERAL PROPERTIES

	Sonora Gulch	Brewery Creek	3 Aces	Marg	Grew Creek	Other Properties	Total
Balance – December 31, 2013	$ 3,694,548	$ —	$ 895,548	$ —	$ 200,000	$ 738,624	$ 5,528,720
Acquisition of RTZ	—	—	—	661,817	—	387,739	1,049,556
Acquisition of AMB	—	1,227,607	—	—	—	—	1,227,607
Acquisition costs	—	85,425	208,052	—	100,000	87,361	480,838
Impairment	—	—	—	—	—	(58,122)	(58,122)
Balance – December 31, 2014	$ 3,694,548	$ 1,313,032	$ 1,103,600	$ 661,817	$ 300,000	$ 1,155,602	$ 8,228,599
Acquisition costs	—	—	9,550	—	—	22,441	31,991
Impairment	—	—	—	—	—	(1,128,241)	(1,128,241)
Option payment - cash	—	—	—	(50,000)	—	—	(50,000)
Option payment - shares	—	—	—	(32,332)	—	—	(32,332)
Balance – December 31, 2015	$ 3,694,548	$ 1,313,032	$ 1,113,150	$ 579,485	$ 300,000	$ 49,802	$ 7,050,017

a) Sonora Gulch, Yukon

The Company owns 100% of the Sonora Gulch property, subject to a remaining 1% net smelter royalty (NSR). The Company has the option and right to purchase 50% of the remaining NSR at any time for $1,000,000. The Company is required to pay all taxes, levies and other expenditures as may be required in order to maintain the property in good standing with the applicable regulatory bodies.

b) Brewery Creek, Yukon

The Company acquired 100% of the Brewery Creek Project as part of the reorganization of AMB to Till Capital (note 3(b)). The Brewery Creek Project is subject to a 2% NSR on the first 600,000 ounces of gold produced, following which the NSR will increase to 2.75%. The Company has the right to repurchase 0.625% of the increased NSR for $2,000,000 (which, if so acquired, would result in a 2.125% NSR). The property is also subject to a sliding scale royalty based on the price of gold on the first 21,000 ounces of production, as well as a 5% net profits royalty ("NPR"), and a 0.5% NSR to Till Capital.

An Amended and Restated Socio Economic Accord for the Brewery Creek Project was entered into with the Tr’ondëk Hwëch’in First Nation (“THFN”) which took effect September 2012. As consideration for entering into the agreement, the Company paid the sum of $400,000, payable in shares, of which $250,000 was payable on signing and $150,000 is payable on the first anniversary of the accord at a price equal to a 5-day volume weighted average share price (“VWAP”). Upon receipt of all required permits in respect of the portion of the mine site outside the existing permitted area, the Company will pay an additional sum of $300,000 payable in shares at the then applicable VWAP. Key aspects of the Socio Economic Accord include the AMB’s commitment in respect of training and scholarships, and the annual community legacy project grant, amounts to $45,000 per annum. The Company has also agreed to pay the THFN a 2.5% NPR on revenue from the mine site, excluding the existing permitted area. The Company believes this agreement has been suspended as of August of 2013 and all obligations relieved until permitting is approved.

5. MINERAL PROPERTIES (CONT'D)

c) 3 Aces, Yukon

On April 1, 2010, the Company entered into an option agreement to earn a 100% interest in the 3 Aces property. The final option payment of $175,000 and 57,143 common shares was made March 2014, and the Company now owns 100% of the project subject to the NSRs described below.

An annual advance royalty payment of $45,000 will commence on April 1, 2015 and continue until the commencement of commercial production. The vendor will retain a 2% NSR on the property. If a resource estimate in excess of 500,000 ounces at a grade greater than 5 grams per tonne is defined on the property (in compliance with the Canadian Securities Administrators' National Instrument 43-101, Standards of Disclosure for Mineral Projects), the vendor's NSR will increase to 2.5% and the vendor will receive a bonus payment of $300,000 in cash or equivalent Golden Predator common shares. If a National Instrument 43-101 compliant resource estimate in excess of 1,000,000 ounces at a grade greater than 5 grams per tonne is defined on the property, the vendor's NSR will increase to 3% and the vendor will receive an additional bonus payment of $300,000 in cash or equivalent Golden Predator shares. Each 1% of the NSR can be purchased by the Company for $2,000,000. The property is also subject to a 1.0% NSR to Till Capital.

d) Marg, Yukon

The Company acquired a 100% interest in the Marg property with the Merger with Redtail Metals Corp. (note 3 (a)). The Marg property is subject to a 1% NSR to Till Capital.

In March 2015, the Company announced a Joint Venture and Option Agreement (the "Agreement") on the Marg Project, Yukon. The terms of the Agreement provide for the following to the optionee:

- 25% interest in the Project for $50,000 cash (received) and $50,000 in common stock (received 1,539,643 shares at a fair value of $32,332) upon signing the Agreement (subject to obtaining all necessary shareholder, regulatory and third party approvals or waivers to allow for the issuance of the commons stock, but no later than November 30, 2015) plus an additional $50,000 cash and $50,000 in common stock on the first anniversary of the agreement (extended to May 2016) in addition to work commitments of $2,400,000 over the first two years of which the first year commitment of $500,000 is a firm requirement;
- 51% interest in the Project can be earned by paying an additional $100,000 cash and $100,000 in common stock on the second anniversary of the Agreement and spending an additional $1,700,000 on work commitments no later than the third year of the Agreement;
- 75% interest in the Project can be earned by spending an additional $4,000,000 on qualified work commitments no later than the fourth year of the Agreement, bringing the total work commitment to $8,100,000.

The first $50,000 cash payment was received on April 2, 2015. Subsequent to December 31, 2015, the Company received an additional 5,656,777 shares.

5. MINERAL PROPERTIES (CONT'D)

e) Grew Creek, Yukon

On December 17, 2013, the Company completed the acquisition of the Grew Creek property for $200,000, and related drill and core data for $700,000.

In August 2014, the Company made the final option payment of $100,000. The Grew Creek property is subject to a 4% NSR in favor of the optionor.

f) Castle West, Nevada

In August 2014, the Company entered into a Mining Lease and Sublease Agreement (the "Agreement") with Platoro West Inc. ("Platoro") on its Castle West property in Esmeralda County, Nevada. The Castle West property consists of 74 unpatented claims leased from Platoro and two subleases of an additional 10 claims. The Agreement requires payments to Platoro totaling US$175,000 over six years, with annual payments of US$35,000 commencing on the seventh anniversary. Payments to two underlying lessors total US$113,000 over 5 years, with annual payments of $36,000 thereafter. All payments are to be credited against future royalty obligations. Platoro retains a sliding-scale net smelter royalty ("NSR") of 2.0% to 5.0%. Two underlying lessors have NSR's from 2% to 3% on portions of the property. Platoro's NSR will be reduced by royalty payments to the underlying lessors to a floor of 0.5%.

Platoro is owned by a director of the Company and therefore the lease is considered a related party transaction.

g) Other Properties

During the year ended December 31, 2015, the Company decided not to pursue certain properties and accordingly recorded an impairment of $1,128,241.

6. PROMISSORY NOTES AND EMBEDDED DERIVATIVE ASSET

Brewery Creek promissory notes and embedded derivative asset

Promissory Note

In conjunction with the Acquisition of AMB (note 3(b)) the Company issued a $4,700,000 promissory note (the "Promissory Note"). The Promissory Note bears interest at 6.00% per annum payable in tranches of $1,100,000, $1,600,000, and $2,000,000, plus accrued interest, on the first, second, and third anniversaries of the Acquisition, respectively. At the Company's option, the principal and interest payments may be made in cash or common shares, where the number of shares is determined by reference to the Company's 14 day VWAP share price immediately prior to the respective payment date, less 20%. If the VWAP of the Company's shares on the TSXV for the fourteen trading days immediately preceding the date that is two days before the date of issue, is below $0.35 at the time of a payment which is to be settled in common shares of the Company, the Company will satisfy the payment based on a share price of $0.35. The Company may prepay the note at any time though payment of the then outstanding principal and accrued interest.

The Promissory Note is secured by the shares of GPE. In the event of non-payment by the Company, Till Capital would receive the GPE shares and retain any cash or common share payments to date.

During the year ended December 31, 2015, the Company entered into an Amending Agreement with Till Capital and amended the terms of the promissory note to the following:

- Payment schedule
  Principal amount of $500,000 + $55,000 USD ($72,710 CAD) is due June 1, 2016;
  Principal amount of $1,000,000 is due June 1, 2017;
  Principal amount of $1,100,000 is due June 1, 2018;
  Principal amount of $1,100,000 is due June 1, 2019.
- Interest rate
  6% per annum through to June 1, 2016;
  8% per annum through to June 1, 2017;
  10% per annum through to June 1, 2018;
  12% per annum thereafter.

The amended terms also include: 1) a return to the Company of the 0.5% net smelter royalty ("NSR") on the Brewery Creek project and a 1% NSR on the Sonora Gulch property originally granted to Till Capital in connection with the loan; 2) a requirement that all principal and interest be paid in cash (not shares of the Company); 3) retirement of $55,000 USD ($72,100 CAN) in accounts payable owing to Till Capital for services rendered; and 4) the Company has granted Till Capital an additional security interest in its Brewery Creek and 3 Aces properties.

The Promissory Note was recognized initially at fair value, and is subsequently carried at amortized cost using the effective interest rate method. The fair value of the Promissory Note was estimated using a discounted cash flow calculation, using a discount rate of 15.00% which is management's estimate of the Company's cost of borrowing at the time of the Acquisition.

(in Canadian dollars)

6. PROMISSORY NOTES AND EMBEDDED DERIVATIVE ASSET (CONT'D)

Brewery Creek promissory notes and embedded derivative asset (Cont'd)

		Promissory Note
Face value	$	4,700,000
Initial issue discount		(731,170)
Accreted interest		220,503
Carrying value - December 31, 2014		4,189,333
Principal payment on note - April 17, 2015		(1,100,000)
Accreted interest in the year on original note		367,176
Re-measurement of promissory note		(125,558)
Accreted interest in the period on amended		157,961
Carrying value - December 31, 2015	$	3,488,912

The Company made its first payment on the Promissory Note, including principal and accrued interest, on April 17, 2015 by issuing to Till Capital a total of 3,948,571 shares at a deemed price of $0.35 per share as per the Promissory Note agreement for a total payment of $1,382,000. As a result of the minimum share price feature of the Promissory Note, the payment was satisfied by issuing shares with a market value of $0.12. The resulting gain on settlement of $908,172 is included in the gain on derivative asset on the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2015.

$572,710 of the principal amount of the Promissory Note is payable on June 1, 2016, and is classified as a current liability as of December 31, 2015.

Derivative Asset

		Derivative Asset
Balance, December 31, 2014	$	4,019,436
Realized gain on exercise of derivative		(908,172)
Change in fair value		(3,111,264)
Balance, December 31, 2015	$	-

(in Canadian dollars)

6. PROMISSORY NOTES AND EMBEDDED DERIVATIVE ASSET (CONT'D)

Brewery Creek promissory notes and embedded derivative asset (Cont'd)

The option to settle payments in common shares (at $0.35 when the VWAP of the Company's shares on the TSXV for the fourteen trading days immediately preceding the date that is two days before the date of issue, is below $0.35) represented an embedded derivative in the form of a put option to the Company. This derivative asset was initially recognized at fair value on the date of the Acquisition and subsequently re-measured at fair value at each reporting date, with changes in fair value recorded in profit or loss. The fair value of the derivative asset is estimated using the Black-Scholes model, with the following assumptions:

	December 31, 2014	December 31, 2015
Share price at valuation date	$0.08	N/A
Risk-free interest rate	1.1%	N/A
Expected life	0.3 to 2.3 years	N/A
Volatility	2.2% to 41.2%	N/A
Dividend rate	—	N/A

During the year ended December 31, 2015, the Company renegotiated the terms of the Promissory Note and the share settlement feature was removed. As a result the derivative asset existing at the time of the modification of the agreement was written off in the amount of $2,458,084.

7. RECLAMATION BONDS

The Company has posted interest and non-interest bearing bonds totaling $488,663 with a financial institution and the Canadian Government as security for reclamation requirements. During the year ending December 31, 2015, $373,837 (2014 - $25,400) was released from the bonding requirement due to the sale of lands previously requiring bonding.

8. LOANS PAYABLE

During the year ended December 31, 2015, the Company received loans in the amount of $257,369 (2014 - $nil) from a director and repaid $40,000 (2014 - $nil) to the director. The loan bears interest at a rate of 8% per annum and is payable on December 30, 2016. Accordingly, the Company accrued interest of $5,384 (2014 - $nil).

(in Canadian dollars)

9. SHARE CAPITAL

a) Stock options and warrants

The Company has a stock option plan under which directors, officers, employees, management and consultants of the Company are eligible to receive stock options. The maximum number of common shares issuable pursuant to the exercise of outstanding options granted under the plan is 10% of the issued shares of the Company at the time of granting the options. The maximum number of stock options granted to any one optionee in a 12 month period may not exceed 5% of the outstanding common shares of the Company. Options granted under the plan may not exceed a term of ten years and vest at terms determined by the directors at the time of grant. The exercise price, expiry date, and vesting term of each option is determined by the directors at the time of grant, provided that the exercise price may not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

During the year ended December 31, 2015, the Company recognized stock-based compensation related to options of $58,610 (2014 - $17,176). The weighted average fair value of options granted in the year ended December 31, 2015 was $0.05 (2014 - $0.05) per share.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	2015	2014
Risk-free interest rate	0.72%	1.1%
Expected life of option	3 years	3 years
Expected dividend yield	0%	0%
Expected stock price volatility	79.57%	58.50%

Stock options transactions are summarized as follows:

	Outstanding Options	Weighted Average Exercise Price
Balance, December 31, 2013	120,000	$ 1.75
Granted	1,375,000	0.20
Expired	(107,143)	1.68
Forfeited	(75,000)	0.20
Balance, December 31, 2014	1,312,857	$ 0.22
Granted	1,005,000	0.12
Expired	(482,857)	0.32
Balance, December 31, 2015	1,835,000	$ 0.16
Exercisable, December 31, 2015	1,112,500	

As at December 31, 2015, incentive stock options were outstanding as follows:

Outstanding Options	Exercise Price	Expiry Date
875,000	0.20	August 1, 2017
450,000	0.10	November 17, 2017
40,000	0.12	March 23, 2018
125,000	0.12	June 22, 2018
345,000	0.14	October 1, 2018
1,835,000		

(in Canadian dollars)

9. SHARE CAPITAL (CONT'D)

a) Stock options and warrants (Cont'd)

Subsequent to the year ended December 31, 2015, the Company granted 940,000 options with an exercise price of $0.17.

Share purchase warrant transactions are summarized as follows:

	Outstanding Warrants	Weighted Average Exercise Price
Balance, December 31, 2013	644,932	$ 2.52
Expired	(644,932)	2.52
Balance, December 31, 2014 and December 31, 2015	—	

b) Shares issued

During the year ended December 31, 2015, the Company issued 3,948,571 common shares at $0.12 for a fair value of $473,829 under the terms of the promissory note described in Note 6.

10. EXPLORATION EXPENSES

	December 31, 2015	December 31, 2014
Geological consulting and salaries	$ 88,283	$ 357,103
Depreciation	202,965	274,983
Environment	24,050	—
Drilling	27,136	—
Trenching and sampling	19,702	153,648
Permitting	16,858	166,164
Camp and accommodations	11,751	50,817
Geochemistry	(38,782)	20,000
Transportation and travel	1,468	12,203
Helicopter	14,985	—
Other exploration costs	11,354	—
	$ 379,770	$ 1,034,918

11. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2015	December 31, 2014
Professional fees	$ 104,376	$ 320,840
Consulting fees	63,420	150,674
Share-based compensation	58,610	17,176
Regulatory & compliance	35,248	38,458
Office and insurance	64,090	82,885
Travel, shareholder relations and promotion	74,736	47,032
	$ 400,480	$ 657,065

(in Canadian dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

a) Net change in non-cash working capital

	December 31, 2015	December 31, 2014
Accounts receivable	$ 11,475	$ 32,562
Prepaid expenses and deposits	11,800	39,276
Accounts payable and accrued liabilities	(141,078)	(251,992)
	$ (117,803)	$ (180,154)

b) Non-cash financing and investing activities

	December 31, 2015	December 31, 2014
Acquisition of RTZ by issue of common shares	$ —	$ 1,002,415
Acquisition of AMB assets by issue of common shares	—	330,000
Acquisition of AMB assets by issue of promissory notes	—	3,968,830
Payment on debt by issue of common shares	473,829	1,307,103
Payment on debt by settlement of derivative	908,171	—
Acquisition of mineral properties by issue of common shares	—	14,000
	$ 1,382,000	$ 6,622,348

13. RELATED PARTY TRANSACTIONS

a) Key management compensation

The compensation paid or payable to key management for management services provided is as follows:

	December 31, 2015	December 31, 2014
Short-term compensation	$ 36,365	$ 95,858

b) Other transactions

Accounting, consulting, administrative and corporate communications services were formerly provided to the Company by a subsidiary of the controlling shareholder. During the year ended December 31, 2015, the Company recorded professional fees of $42,870 (2014 - $35,315), corporate communications expenses of $8,347 (2014 - $8,645), and consulting fees of $55,557 (2014 - $37,738) related to these services.

These services were incurred in the normal course of operations for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities. All services were made on terms substantially equivalent to those that prevail with arm's length transactions.

(in Canadian dollars)

13. RELATED PARTY TRANSACTIONS (CONT'D)

c) Balances outstanding

There was $nil due to related parties recorded in accounts payable and accrued liabilities at December 31, 2015 (2014 - $43,245).

d) Loans payable

During the year ended December 31, 2015, the Company received loan proceeds from a director in the aggregate amount of $257,369 (2014 - $nil) and repaid $40,000 to the director (2014 - $nil) (Note 6).

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015	2014
Loss for the year	$ (5,416,617)	$ (85,915)
Expected income tax (recovery)	(1,434,000)	(22,000)
Impact of different foreign statutory tax rates on earnings of subsidiaries	(8,000)	(26,000)
Permanent differences	1,161,000	(524,000)
Impact of flow-through shares	-	26,000
Share issue costs	-	(2,000)
Impact of amalgamation	-	(88,000)
Change in unrecognized deductible temporary differences and other	281,000	636,000
Total income tax expense	$ -	$ -

The significant components of the Company's unrecorded deferred tax assets are as follows:

	2015	2014
Deferred Tax Assets (Liabilities)		
Share issue costs	$ 90,000	$ 297,000
Allowable capital costs	2,348,000	2,667,000
Non-capital losses available for future period	5,588,000	4,211,000
Property and equipment	737,000	554,000
Canadian eligible capital	152,000	130,000
Exploration and evaluation assets	9,439,000	9,401,000
Marketable securities	(1,000)	(15,000)
Unrecognized deferred tax assets	$ 18,353,000	$ 17,245,000

14. INCOME TAXES (CONT'D)

The unrecognized deferred tax assets of $18.4 million include $20 million of non-capital losses for $20.3 million which expire between 2026 and 2038, and resource pool for $33.7 million with no expiry date.

15. SEGMENT INFORMATION

The Company operates in two segments, which is the exploration and development of resource properties in Canada and the USA.

	Canada	United States	Total
Mineral Properties	$7,000,215	$49,802	$7,050,017

16. FINANCIAL INSTRUMENTS

Financial instruments include cash and any contract that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at December 31, 2015, the Company's carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values due to their short term to maturity.

The three levels of the fair value hierarchy are:
Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At December 31, 2015, the Company's cash and investments are based on level 1 inputs of the fair value hierarchy.

17. FINANCIAL RISKS MANAGEMENT

Market risk
Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

Foreign exchange risk
The Company operates mainly in Canada but a small portion of the Company's financial assets and liabilities are denominated in US dollars. The Company does not undertake currency hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, receivables and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of cash held in bank accounts, for which management believes the risk of loss to be minimal.

Management believes that the credit risk concentration with respect to receivables is minimal. Reclamation bonds consist of term deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal.

17. FINANCIAL RISKS MANAGEMENT (CONT'D)

Interest rate risk

Interest rate risk mainly arises from the Company's cash and cash equivalents, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible. The Company's borrowings are at fixed rates. The fair value of the fixed-rate Promissory Note fluctuates with changes in market interest rates, but the cash flows do not.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. At December 31, 2015, the Company had a working capital deficiency of $906,587. For additional information on liquidity, refer to Note 1.

18. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2015, the Company:

a) closed a private placement for 2,315,000 units (the "NFT Units") and 250,000 flow-through units (the "FT Units") at a price of $0.10 per NFT and FT Unit for total proceeds of $256,500. Each FT Unit consists of one common share (the "FT Shares") and one share purchase warrant (the "FT Warrants"). Each NFT Unit consists of one common share (the "NFT Shares") and one share purchase warrant (the "NFT Warrants"). Each NFT Warrant will entitle the holder to purchase one additional common share, exercisable at a price of $0.15 per share for a period of two years from the date of issue of the NFT Warrants. Each FT Warrant will entitle the holder to purchase one additional flow-through common share (the "Underlying FT Shares"), exercisable at a price of $0.15 per share for a period of two years from the date of issue of the FT Warrants. The Company paid share issuance costs of $7,783.

b) completed a share purchase agreement with Alexco Resource Corp. The Company acquired 50,000 shares of Till Capital Ltd. By way of consideration, the Company issued 1,875,000 units to the vendor. Each unit consists of one common share and one share purchase warrant, each warrant exercisable at $0.15 cents for two years.

c) issued 425,964 common shares at a deemed price of $0.1425 per share to certain of its suppliers as payment for services provided.

d) received an additional 5,656,777 shares in connect with the option agreement (refer to note 5).