Golden Predator Mining Corp.

(An Exploration Stage Company)

Consolidated Financial Statements

Years ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

Independent auditor's report

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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 statement of financial position as at December 31, 2017 and December 31, 2016 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 audits 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 consolidated 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Golden Predator Mining Corp. as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Vancouver, Canada
April 26, 2018

Chartered Professional Accountants

Golden Predator Mining Corp.

Consolidated Statements of Financial Position
December 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	$ 3,829,802	$ 9,410,464
Marketable securities (note 3)	496,453	386,612
Accounts receivable (note 4)	188,737	270,537
Due from associate	3,243	-
Prepaid expenses and deposits	265,876	117,881
Inventories (note 5)	744,333	-
	5,528,444	10,185,494
Reclamation bonds (note 6)	673,183	455,163
Derivative asset (note 7)	140,000	-
Investment in associate (note 8)	1,747,251	-
Equipment (note 9)	2,233,877	1,261,494
Mineral properties (note 10)	6,661,813	6,441,632
	$ 16,984,568	**$ 18,343,783**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,071,990	$ 2,073,937
Promissory note (note 11)	-	1,000,000
Flow-through share premium liability (note 12)	-	238,400
	2,071,990	3,312,337
Non-current liabilities		
Promissory note (note 11)	-	2,146,809
	2,071,990	5,459,146
Shareholders' equity		
Share capital (note 13)	63,516,726	45,839,782
Contributed surplus	6,577,839	5,024,042
Accumulated other comprehensive loss	463,746	71,991
Deficit	(55,645,733)	(38,051,178)
	14,912,578	12,884,637
	$ 16,984,568	**$ 18,343,783**

Nature of operations (note 1)
Subsequent events (note 21)

See accompanying notes to these consolidated financial statements.

Approved by the board of directors:

"William Harris" Director

"Bradley Thiele" Director

Golden Predator Mining Corp.

Consolidated Statements of Loss and Comprehensive Loss
Years ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Expenses		
Exploration (note 14)	$ 14,687,531	$ 7,837,201
General and administrative (note 15)	4,225,455	2,688,453
Impairment of mineral properties (note10)	30,518	473,912
	(18,943,504)	(10,999,566)
Other income (expense)		
Settlement of flow-through share premium liabilities (note 12)	1,015,512	758,200
Gain on sale of mineral properties (note 10)	723,280	-
Interest revenue	102,635	39,757
Gain on derivative asset (note 7)	56,477	-
Loss from investment in associate (note 8)	(202,749)	-
Interest expense on promissory note (note 11)	(174,535)	(375,347)
Loss on settlement of promissory note (note 11)	(125,045)	-
Foreign exchange loss	(24,213)	(21,757)
Realized gain (loss) on sale of investments	(22,413)	330
Gain on forgiveness of loan interest	-	12,701
Loss on settlement of accounts payable	-	(54,421)
Interest expense on loans payable	-	(7,316)
Loss for the year	**(17,594,555)**	**(10,647,419)**
Other comprehensive income (loss)		
Items that will be reclassified subsequently to profit or loss		
Reclassification to realized gain on sale of investments	22,413	23,267
Unrealized gain on available-for-sale investments (note 3)	369,342	87,527
Comprehensive loss	**$ (17,202,800)**	**$ (10,536,625)**
Basic and diluted loss per share	**$ (0.19)**	**$ (0.19)**
Weighted average number of common shares outstanding	**90,036,678**	**56,132,170**

See accompanying notes to these consolidated financial statements.

Golden Predator Mining Corp.

Consolidated Statements of Cash Flows
Years ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Cash provided by (used in):		
Operating activities:		
Net loss	**$ (17,594,555)**	**$ (10,647,419)**
Adjustments for:		
Gain on derivative asset (note 7)	(56,477)	-
Loss from investment in associate (note 8)	202,749	-
Gain on sale of mineral properties (note 10)	(723,280)	-
Impairment of mineral properties (note 10)	30,518	473,912
Interest expense on promissory note (note 11)	174,535	375,347
Loss on settlement of debt (note 11)	125,045	-
Settlement of flow-through share premium liabilities (note 12)	(1,015,512)	(758,200)
Share issued for services (note 13)	-	27,000
Stock-based compensation (note 15)	1,468,134	1,329,518
Net change in non-cash working capital (note 16)	(1,017,003)	1,584,207
Gain on forgiveness of loan interest (note 17)	-	(12,701)
Gain on sale of investments	22,413	(330)
Depreciation	367,728	181,693
Loss on settlement of accounts payable	-	54,421
Interest expense on loans payable	-	7,316
	(18,015,705)	**(7,385,236)**
Financing activities:		
Repayment of promissory note (note 11)	(3,446,389)	(717,450)
Proceeds of private placements (note 13)	17,250,633	20,937,780
Share issuance costs (note 13)	(1,475,284)	(1,495,910)
Options exercised (note 13)	533,437	80,100
Warrants exercised (note 13)	1,600,048	683,250
Repurchase shares to treasury (note 13)	-	(1,546,823)
Loan proceeds (note 17)	-	117,935
Repayment of loans payable (note 17)	-	(335,304)
	14,462,445	**17,723,578**
Investing activities:		
Proceeds from sale of investments (note 3)	68,478	122,969
Release (issue) of reclamation bonds (note 6)	(218,020)	33,500
Purchase of investments (note 7)	(175,000)	-
Acquisition of capital assets (note 9)	(1,138,826)	(1,248,045)
Acquisition of mineral properties (note 10)	(614,034)	(158,223)
Option payment received (note 10)	50,000	147,124
	(2,027,402)	**(1,102,675)**
Change in cash	**(5,580,662)**	**9,235,667**
Cash – beginning of year	**9,410,464**	**174,797**
Cash – end of year	**$ 3,829,802**	**$ 9,410,464**

See accompanying notes to these consolidated financial statements.

Golden Predator Mining Corp.

Consolidated Statements of Changes in Equity
Years ended December 31, 2017 and 2016
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Deficit	Total
Balance, December 31, 2015	**31,670,250**	**$ 28,645,709**	**$ 2,707,886**	**$ (38,804)**	**$ (27,403,758)**	**$ 3,911,033**
Private placements	48,906,000	20,937,780	-	-	-	20,937,780
Share issuance costs	-	(1,495,910)	-	-	-	(1,495,910)
Finders' units issued	-	(1,013,401)	1,013,401	-	-	-
Shares issued for debt	671,865	281,914	-	-	-	281,914
Stock options exercised	427,500	106,863	(26,763)	-	-	80,100
Warrants exercised	3,415,000	683,250	-	-	-	683,250
Shares issued for services	135,000	27,000	-	-	-	27,000
Shares issued for share purchase agreement	1,875,000	210,000	-	-	-	210,000
Flow-through share premium liabilities	-	(996,600)	-	-	-	(996,600)
Stock-based compensation	-	-	1,329,518	-	-	1,329,518
Shares returned to treasury	(10,312,154)	(1,546,823)	-	-	-	(1,546,823)
Other comprehensive income	-	-	-	110,794	-	110,794
Net loss	-	-	-	-	(10,647,419)	(10,647,419)
Balance, December 31, 2016	**76,788,461**	**$ 45,839,782**	**$ 5,024,042**	**$ 71,991**	**$ (38,051,178)**	**$ 12,884,637**
Private placements	10,295,950	17,250,633	-	-	-	17,250,633
Share issuance costs	-	(1,475,284)	-	-	-	(1,475,284)
Finders’ warrants issued	-	(212,480)	212,480	-	-	-
Stock options exercised	1,786,250	858,839	(325,402)	-	-	533,437
Warrants exercised	5,017,548	1,600,048	-	-	-	1,600,048
Shares issued for property acquisition	485,000	432,300	-	-	-	432,300
Warrants issued for property acquisition	-	-	198,585	-	-	198,585
Flow-through share premium liabilities	-	(777,112)	-	-	-	(777,112)
Stock-based compensation	-	-	1,468,134	-	-	1,468,134
Other comprehensive income	-	-	-	391,755	-	391,755
Net loss	-	-	-	-	(17,594,555)	(17,594,555)
Balance, December 31, 2017	**94,373,209**	**$ 63,516,726**	**$ 6,577,839**	**$ 463,746**	**$ (55,645,733)**	**$ 14,912,578**

See accompanying notes to these consolidated financial statements

1. NATURE OF OPERATIONS

Golden Predator Mining Corp. ("Golden Predator" or the "Company") was incorporated under the Business Corporations Act (Alberta) on April 29, 2008 and continued into British Columbia from the jurisdiction of Alberta on October 21, 2015. The Company's head office is located at Suite 250 – 200 Burrard Street, Vancouver, British Columbia. Golden Predator is in the business of acquiring and exploring mineral properties primarily in the Yukon, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Golden Predator Exploration Ltd. and Yukon Mint Corporation.

Subsidiaries are entities that the Company controls, either directly or indirectly. Control is achieved when the Company is exposed to or has the rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. 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.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value, and are presented in Canadian dollars, which is the Company's functional currency as well as the functional currency of the Company's subsidiaries. The consolidated financial statements were authorized for issue by the board of directors on April 26, 2018.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d. Inventories

Inventories consist of refined gold bullion or coins and are valued at the lower of cost and net realizable value. Cost of inventories includes all costs of production or purchase and all costs of conversion and other costs incurred to bring the inventories to their present condition. Net realizable value represents the estimated selling price of inventory in the normal course of business less applicable selling expenses. If there is a subsequent increase in the value of inventory, the previous write-down to net realizable value is reversed up to the original cost.

e. Reclamation bonds

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

f. 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 years straight-line
Camp equipment	5 years straight-line
Computer equipment	30% declining balance
Camp	5 years straight-line
Vehicle	30% straight-line
Mill	5 years straight-line
Bridge	25 years straight-line
Leasehold	3 years straight-line

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

g. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Mineral properties (cont'd)

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.

The company has no operational income; therefore, any incidental revenue earned in connection with exploration activities is credited against exploration expenses.

h. 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, 2017.

i. 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 costs of disposal 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)

j. 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)

k. 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 adjusts the total expense to be recognized over the vesting period.

l. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m. Treasury shares

Own equity instruments (treasury shares) are deducted from equity when calculating the profit/loss per shares. No gain or loss is recognized in profit or loss on the purchase, sale, or cancellation of the Company's own equity instruments. When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or subsequently re-issued, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

n. Flow-through shares

The Company may issue flow-through shares to finance a portion of its capital expenditure program. Pursuant to the terms of the flow-through share agreements, the tax deductions associated with the expenditures are renounced to the subscribers. The difference between the value ascribed to flow-through shares issued and the value that would have been received for common shares with no tax attributes is initially recognized as a liability. When the expenditures are incurred the liability is drawn down, a deferred tax liability is recorded equal to the estimated amount of deferred income tax payable by the Company as a result of the renunciation and the difference is recognized as a deferred tax expense.

o. Share capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs include commissions, facilitation payments, professional fees, and regulatory fees.

For the unit offerings, the proceeds from the issuance of units are allocated between common shares and common share purchase warrants using the residual method, allocating fair value first to the common shares and then share purchase warrants.

Share purchase warrants that are issued for goods and services are initially accounted for under IFRS 2 as equity instruments. Subsequent to their issuance, share purchase warrants issued for goods and services are considered as equity for their entire life. The fair value of such share purchase warrants is not re-measured. When these share purchase warrants are exercised, the cash proceeds received and the applicable amounts of share purchase warrants are credited to share capital. Where share purchase warrants expire or are forfeited then these amounts remain in equity under contributed surplus.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p. 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.

q. 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. The following are key sources of estimation uncertainty.

Share-based compensation
The fair value of stock-based compensation is estimated using valuation techniques at the date of grant. Significant judgement is required to determine the most appropriate valuation model and in determining the inputs into the model, including the expected life of the options, volatility and interest rates.

Derivative asset
Our derivative asset is not traded in an active market and its fair value is estimated using valuation techniques. Significant judgement is required to determine the most appropriate valuation model and in determining the inputs into the model, including the expected life of the warrants, volatility and interest rates.

Investment in associate
Our investment in Taku Gold Corp. has been accounted for as an investment in an associate. Determining the appropriate accounting treatment to apply to interests in other entities requires significant judgment to determine the degree of control or significant influence the Company exercises over the investee.

Carrying value 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

r. New accounting standards and interpretation

IFRS 9 Financial Instruments

The new standard for financial instruments, IFRS 9, introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. Management has started to assess the impact of IFRS 9. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. At this stage, the main areas of expected impact are as follows:

a) The classification and measurement of the Company's financial assets will need to be reviewed based on the new criteria that consider the assets' contractual cash flows and the business model in which they are managed.
b) If the Company continues to elect the fair value option for certain financial liabilities, fair value movements will be presented in other comprehensive income to the extent those changes relate to the Company's own credit risk.

IFRS 15 Revenue from contracts with customers

The IASB has issued IFRS 15, Revenue from Contracts with Customers, which is effective for annual periods commencing on or after January 1, 2018. This new standard establish a new revenue recognition model based on control which could change the timing of revenue recognition.

IFRS 16 Leases

IFRS 16 will replace IAS 17 and three related interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability. IFRS 16 is effective from periods beginning on or after January 1, 2019.

Management is yet to fully assess the impact of the Standard and therefore is unable to provide quantified information. However, in order to determine the impact, the Company is in the process of:

a) Performing a full review of all agreements to assess whether any additional contracts will now become a lease under IFRS's new definition.
b) Deciding which transitional provision to adopt; either full retrospective application or partial retrospective application (which means comparatives do not need to be restated). The partial application method also provides optional relief from reassessing whether contracts in place are, or contain, a lease, as well as other reliefs. Deciding which of these practical expedients to adopt is important as they are one-off choices.
c) Assessing current disclosures for finance leases and operating leases (see note 20) as these are likely to form the basis of the amounts to be capitalized and become right-of-use assets.
d) Determining which optional accounting simplifications apply to the Company's lease portfolio and if the Company is going to use these exemptions.
e) Assessing the additional disclosure that will be required.

(Expressed in Canadian dollars)

3. MARKETABLE SECURITIES

Investments consist of common shares in publicly traded companies. Shares are recorded at fair market value and any unrealized gain or loss is recorded as accumulated other comprehensive income. Shares received as property option payments include $nil for the Marg property (2016 - $55,537) and $32,500 (2016 - $90,000) for the Grew Creek property.

Balance, December 31, 2015	**$**	**42,884**
Shares received for property option payments		145,537
Shares received as payment for common shares issued		210,036
Sale of shares		(99,372)
Increase in market value of shares		87,527
Balance December 31, 2016		**386,612**
Shares acquired in private placement (note 6)		91,476
Shares received for property sale or option payments (note 9)		1,667,500
Transferred to investment in associate (note 7)		(1,950,000)
Sale of shares		(68,477)
Increase in market value of shares		369,342
Balance, December 31, 2017	**$**	**496,453**

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of goods and services tax of $183,294 (2016 - $267,892) and interest on guaranteed investment certificates of $5,443 (2016 - $2,645). Accounts receivable are valued at amortized cost.

5. INVENTORIES

As at December 31, 2017, inventories consist of 457 ounces of refined gold bullion (2016 – nil).

6. RECLAMATION BONDS

The Company has posted interest and non-interest bearing bonds totaling $673,183 (2016 - $455,163) with a Canadian financial institution as security for future reclamation costs.

(Expressed in Canadian dollars)

7. DERIVATIVE ASSET

During the year ended December 31, 2017, the Company acquired 1,750,000 Units of Taku Gold Corp. ("Taku") in a private placement for $0.10 per Unit. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of $0.15 for a period of two years. The warrants are a derivative asset to the Company. The purchase price of the Units was initially allocated based on the relative fair values of the shares and the warrants comprising the Units. The warrants are subsequently remeasured at fair value at each reporting date, with changes in value recorded in profit or loss.

Initial cost base of Taku warrants	$	83,523
Fair value adjustment		56,477
December 31, 2017	$	140,000

The fair value of the warrants is estimated using the Black-Scholes model, with the following assumptions:

	Purchase Date	December 31, 2017
Risk-free interest rate	1.13%	1.66%
Expected life	2.00 years	1.51 years
Expected dividend yield	0%	0%
Expected stock price volatility	237%	208%

8. INVESTMENT IN ASSOCIATE

During the year ended December 31, 2017, the Company acquired a total of 9,750,000 shares of Taku Gold Corp. ("Taku") in three separate transactions:

I.	Participation in Taku private placement (note 7)	1,750,000 shares
II.	Sale of none-core mineral properties to Taku (note 10)	3,500,000 shares
III.	Option of Sonora Gulch property to Taku (note 10)	4,500,000 shares

Upon completion of the third transaction on August 1, 2017, the Company held 24.47% of the issued and outstanding shares of Taku and the Company has determined that it exercises significant influence over Taku as of that date. As a result, the investment is now considered an investment in an associate and is accounted for using the equity method.

The following table is a summary of Taku's financial information on a 100% basis as at December 31, 2017. Taku's financial statements are prepared in accordance with IFRS and the amounts presented here have been adjusted to reflect fair value adjustments made at the time the Company obtained significant influence and for differences in accounting policies.

Cash and cash equivalents	$	426,733
Total current assets		545,391
Total non-current assets		6,626,282
Total current liabilities and total liabilities		(31,293)
Net asset value		7,140,380
Carrying value of the investment in Taku (24.47% ownership)	$	1,747,251
Net loss and comprehensive loss (five months ended December 31, 2017)	$	(978,541)
Proportionate share of net loss and comprehensive loss (24.47% ownership)	$	(239,449)

(Expressed in Canadian dollars)

8. INVESTMENT IN ASSOCIATE (CONT'D)

The following table is a reconciliation of the carrying value of the investment in Taku:

Taku shares transferred from marketable securities	$ 1,950,000
Adjustments to carrying value:	
Proportionate share of net loss (five months ended December 31, 2017)	(239,449)
Adjustment for Taku's share-based compensation	36,700
Loss from investment in associate	(202,749)
Balance, December 31, 2017	$ 1,747,251

Taku is a mineral exploration company focused primarily on the Yukon, Canada. The fair market value of 9,750,000 shares of Taku at December 31, 2017 is $1,072,500. The Company is not exposed to any additional losses beyond its initial investment in Taku. No dividends or cash distributions were received from Taku during the year ended December 31, 2017.

(Expressed in Canadian dollars)

9. EQUIPMENT

	Computer and software	Field equipment	Camp and camp equipment	Vehicles	Office equipment	Leasehold	Capital leases	Mill	Bridge	Total
Cost										
Balance – December 31, 2015	$ -	$ 407,020	$ 369,257	$ 93,890	$ 21,010	$ -	$ 42,350	$ -	$ -	$ 933,527
Additions	-	385,384	60,323	118,185	-	-	-	206,543	477,610	1,248,045
Balance – December 31, 2016	$ -	$ 792,404	$ 429,580	$ 212,075	$ 21,010	$ -	$ 42,350	$ 206,543	$ 477,610	$ 2,181,572
Additions	11,143	597,194	491,057	227,705	-	13,012	-	-	-	1,340,111
Balance – December 31, 2017	$ 11,143	$ 1,389,598	$ 920,637	$ 439,780	$ 21,010	$ 13,012	$ 42,350	$ 206,543	$ 477,610	$ 3,521,683
Accumulated Depreciation										
Balance – December 31, 2015	$ -	$ 281,658	$ 332,334	$ 66,676	$ 15,367	$ -	$ 42,350	$ -	$ -	$ 738,385
Depreciation	-	78,143	42,956	25,892	4,495	-	-	20,654	9,553	181,693
Balance – December 31, 2016	$ -	$ 359,801	$ 375,290	$ 92,568	$ 19,862	$ -	$ 42,350	$ 20,654	$ 9,553	$ 920,078
Depreciation	1,671	155,317	61,170	85,840	1,148	2,168	-	41,309	19,105	367,728
Balance – December 31, 2017	$ 1,671	$ 515,118	$ 436,460	$ 178,408	$ 21,010	$ 2,168	$ 42,350	$ 61,963	$ 28,658	$ 1,287,806
Net book value										
Balance – December 31, 2016	$ -	$ 432,603	$ 54,290	$ 119,507	$ 1,148	$ -	$ -	$ 185,889	$ 468,057	$ 1,261,494
Balance – December 31, 2017	$ 9,472	$ 874,480	$ 484,177	$ 261,372	$ -	$ 10,844	$ -	$ 144,580	$ 448,952	$ 2,233,877

(Expressed in Canadian dollars)

10. MINERAL PROPERTIES

	3 Aces	Reef	Upper Hyland	Brewery Creek	Sonora Gulch	Marg	Grew Creek	Sprogge	Other	Total
Balance – December 31, 2015	$ 1,113,150	$ -	$ -	$ 1,313,032	$ 3,694,548	$ 579,485	$ 300,000	$ -	$ 49,802	$ 7,050,017
Acquisition costs	90,383	-	-	-	-	-	25,000	-	42,840	158,223
Property payments received	-	-	-	-	-	(105,573)	(125,000)	-	(62,123)	(292,696)
Impairment	-	-	-	-	-	(473,912)	-	-	-	(473,912)
Balance – December 31, 2016	$ 1,203,533	$ -	$ -	$ 1,313,032	$ 3,694,548	$ -	$ 200,000	$ -	$ 30,519	$ 6,441,632
Acquisition costs	6,271	4,279	-	-	-	2,265	-	-	1,719	14,534
Option payments - cash	45,000	400,000	30,000	-	-	-	-	114,500	10,000	599,500
Option payments - shares	-	159,000	66,300	-	-	-	-	207,000	-	432,300
Option payments - warrants	-	87,585	-	-	-	-	-	111,000	-	198,585
Property payments received	-	-	-	-	(900,000)	-	(82,500)	-	(11,720)	(994,220)
Impairment	-	-	-	-	-	-	-	-	(30,518)	(30,518)
Balance – December 31, 2017	$ 1,254,804	$ 650,864	$ 96,300	$ 1,313,032	$ 2,794,548	$ 2,265	$ 117,500	$ 432,500	$ -	$ 6,661,813

10. MINERAL PROPERTIES (CONT'D)

3 Aces, Yukon

The Company owns 100% of the 3 Aces property, subject to the Net Smelter Returns ("NSR") royalties described below.

An annual advance royalty payment of $45,000 is payable 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 royalty 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 royalty 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.

Reef, Yukon

During the year ended December 31, 2017, the Company entered into a mineral property option agreement with Precipitate Gold Corp. ("Precipitate") pursuant to which the Company may acquire Precipitate's interest in certain mineral claims known as the Reef property (the "Reef Claims") located adjacent to the northern boundary of the 3 Aces Project in the Yukon Territory. Terms of the agreement include:

a) Cash payments totaling $1,050,00, as follows:
- $400,000 on the closing date (completed)
- $150,000 on February 9, 2018 **
- $200,000 on February 9, 2019
- $300,000 on February 9, 2020

b) Issuance of common shares as follows:
- 100,000 on the closing date (completed)
- 100,000 on February 9, 2018 **
- $300,000 worth of common shares on February 9, 2019 *
- $300,000 worth of common shares on February 9, 2020 *

  * The price per share is based on the 21-day volume weighted average price ("VWAP") at the date of issuance and subject to a floor price equal to the minimum price permitted under TSX Venture Exchange ("TSXV") policies. The Company will compensate Precipitate in cash for any shortfall to $300,000 in value caused by the TSXV minimum price policies.

c) Issuance of common share purchase warrants as follows:
- 100,000 on the closing date ($1.59 exercise price with a 3-year term) (completed)
- 100,000 on February 9, 2018 ($2.00 exercise price with a 3-year term) **
- 300,000 on February 9, 2019 *
- 300,000 on February 9, 2020 *

10. MINERAL PROPERTIES (CONT'D)

Reef, Yukon (cont'd)

* These warrants will have a 3-year term and an exercise price of 150% of the 21-day VWAP at the date of issuance.

** Completed subsequent to the year ended December 31, 2017.

d) The Company granted to Precipitate a 2% NSR royalty on certain of the Reef Claims and a 1% NSR royalty on the remaining Reef Claims (the "Reef NSR"). The Company may repurchase 25% of the Reef NSR royalty, for $1,000,000, and a further 25% for $1,500,000.

Upper Hyland, Yukon

During the year ended December 31, 2017, the Company entered into a mineral property purchase agreement with Bearing Lithium Ltd. ("Bearing") for the purchase of certain mineral claims located in the Upper Hyland River area in the southeast region of the Yukon Territory. Terms of the agreement include:

a) Cash payments totaling $275,000, as follows:
   - $10,000 on the execution date (completed)
   - $20,000 on the September 28, 2017 (completed)
   - $60,000 on August 23, 2018
   - $85,000 on August 23, 2019
   - $100,000 on December 23, 2020

b) Issuance of common shares as follows:
   - 35,000 upon TSXV approval of the transaction (completed)
   - 50,000 September 28, 2017 (completed)
   - $100,000 worth of common shares on August 23, 2018*
   - $250,000 worth of common shares on August 23, 2019*
   - $250,000 worth of common shares on December 23, 2020*

   * The price per share is based on the 21-day VWAP at the date of issuance and subject to a floor price equal to the minimum price permitted under TSXV policies.

c) The Company granted Bearing a 2% NSR royalty on certain of the claims and a 1% NSR royalty on the remaining claims (the "Bearing NSR"). The Company may repurchase 50% of the Bearing NSR for $1,000,000.

Brewery Creek, Yukon

The Company owns 100% of the Brewery Creek Project. The Brewery Creek Project is subject to a 2% NSR royalty on the first 600,000 ounces of gold produced, following which the NSR royalty will increase to 2.75%. The Company has the right to repurchase 0.625% of the increased NSR royalty 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") over a portion of the property.

10. MINERAL PROPERTIES (CONT'D)

Brewery Creek, Yukon (cont'd)

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 paid on signing and $150,000 was paid during the year ended December 31, 2016 through issuance of 245,901 shares valued at $0.80 per share. The Company recorded a loss on settlement of accounts payable of $46,721 related to this transaction.

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 a price equal to a 5-day VWAP. Key aspects of the Socio-Economic Accord include the Company's commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to $45,000 per annum. The Company has also agreed to pay the THFN a 2.5% NSR on revenue from the mine site, excluding the existing permitted area.

Sonora Gulch, Yukon

The Company owns 100% of the Sonora Gulch property, subject to a 1% NSR royalty. The Company has the option and right to purchase 50% of the NSR royalty at any time for $1,000,000.

During the year ended December 31, 2017, the Company optioned the Sonora Gulch property to Taku Gold Corp. ("Taku"). Taku can earn a 100% interest in the Sonora Gulch property by issuing the Company an aggregate of 11,000,000 common shares as follows:

- 4,500,000 on the closing date (received);
- 3,500,000 on August 1, 2018
  (or that number of Taku common shares equal in value to $1,400,000 based on the 10-day volume weighted average price ("VWAP") of Taku's common shares immediately prior to the first anniversary date, if the VWAP is greater than $0.40);
- 3,000,000 on August 1, 2019
  (or that number of Taku common shares equal in value to $1,200,000 based on the 10-day VWAP of Taku's common shares immediately prior to the second anniversary date, if the VWAP is greater than $0.40).

The Company also retained a 1% NSR royalty on the Sonora Gulch property. The initial tranche of 4,500,000 shares was valued at $900,000 and recorded as a reduction in the carrying value of the Sonora Gulch property.

10. MINERAL PROPERTIES (CONT'D)

Marg, Yukon

The Company owns a 100% interest in the Marg property, subject to a 1% NSR royalty to Till Capital.

In March 2015, the Company announced a Joint Venture and Option Agreement (the "Agreement") on the Marg Project with a third party. During the year ended December 31, 2015, the first $50,000 cash payment and 1,539,643 shares at a fair value of $32,332 were received. During the year ended December 31, 2016, the Company received an additional 5,656,777 shares at a fair value of $55,573. During 2016, the optionee terminated the agreement and returned control of the project to the Company.

In April 2016, another third party purchased 100% of the property from the Company for consideration of $50,000 and 1,967,280 shares (received in escrow). An impairment charge of $473,912 was recorded on the property during the year ended December 31, 2016.

During the year ended December 31, 2017, the purchaser was unable to meet the conditions of the purchase agreement and control of the property was returned to the Company and the Company returned the shares to the purchaser.

Grew Creek, Yukon

The Company owns 100% of the Grew Creek property, subject to a 4% NSR royalty.

During the year ended December 31, 2016, the Company entered into a Property Option Agreement with Quantum Cobalt Corp. ("Quantum" – formerly Bravura Ventures Corp.) whereby Quantum can earn up to a 90% interest in the Grew Creek property. The terms of the Property Option Agreement include:

a) A total of $950,000 to be paid to the Company as follows:
   - $35,000 – on the closing date (received);
   - $50,000 – on October 21, 2017 (received);
   - $75,000 – on October 21, 2018;
   - $140,000 – on October 21, 2019;
   - $150,000 – on October 21, 2020;
   - $250,000 – on October 21, 2021; and
   - $250,000 – on October 21, 2022.

b) Issuance to the Company of an aggregate amount of 200,000 common shares and an additional 6% of Quantum to be issued as follows (share amounts have been adjusted to reflect a 10:1 consolidation of Quantum shares on May 4, 2017):
   - 50,000 – on the closing date (received, valued at $90,000);
   - 50,000 – on October 21, 2017 (received, valued at $32,500);
   - 50,000 – on October 21, 2018;
   - 50,000 – on October 21, 2019;
   - On October 21, 2020 that number of common shares equal to 2% of the issued and outstanding common shares of Quantum for 70% interest in the property;
   - On October 21, 2021 that number of common shares equal to 2% of the issued and outstanding common shares of Quantum for an additional 10% interest in the property; and

10. MINERAL PROPERTIES (CONT'D)

Grew Creek, Yukon (cont'd)

- On October 21, 2022 that number of common shares equal to 2% of the issued and outstanding common shares of Quantum for an additional 10% interest in the property.

If, during the term of the agreement, Quantum receives a technical report (the "First Report") that (i) complies with NI 43-101, Standards of Disclosure for Mineral Projects, and (ii) defines a resource on the claims, Quantum shall, within 30 days of receipt of such report, pay to the Company an additional $50,000 and issue an additional 50,000 common shares. If, during the term of the agreement but after its receipt of the First Report, Quantum receives a second technical report (the "Second Report") that increases the resource estimate by 100% or more over the estimate contained in the First Report, Quantum shall issue to the Company such number of common shares as is equal to two percent (2%) of the issued and outstanding common shares of Quantum on the date that is ten (10) business days prior to the date of receipt of the Second Report.

Sprogge, Yukon

During the year ended December 31, 2017, the Company entered into property purchase agreements with each of Alexco Exploration Canada Corp. (Alexco) and Newmont Canada Corporation (Newmont) to acquire 100% interest in the Sprogge claims located in the southeast Yukon, adjacent to 3 Aces Project claims. The terms of the purchase agreements include:

- Cash payments totaling $114,500 (completed);
- Issued 300,000 common shares (completed);
- Issued 300,000 common share purchase warrants with an exercise price of $1.00 and a 37-month term (completed);

The Company also granted NSR royalties totaling 2.32% to Alexco and Newmont, with buy-back provisions for up to 50% of the royalty.

Other Properties

a) Castle West, Nevada

During the year ended December 31, 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. In February 2016, May 2016, and August 2016, the Company made option payments of US$2,500 (CAD: $3,135), US$18,000 (CAD $23,392) and US$12,555 (CAD: $16,313), respectively.

During the year ended December 31, 2017, the Company returned the Castle West property to Platoro, wrote off the December 31, 2016 balance of the property of $92,641 and paid additional lease fees of US$20,500 (CAD $27,537) to the underlying vendors of the two subleases.

Platoro is owned by a director of the Company and therefore the lease is considered a related party transaction (see note 15b).

10. MINERAL PROPERTIES (CONT'D)

Other Properties (cont'd)

b) Chopin, Korat, Lucky Joe and Fortymile Projects, Yukon

During the year ended December 31, 2017, the Company sold a number of non-core assets to Taku, including the Chopin, Korat, Lucky Joe and Fortymile projects. As consideration, Taku issued the Company 3,500,000 common shares and granted the Company NSR royalties on the Chopin (1%), Korat (1%), Lucky Joe (1.5%) and Fortymile (0.5%) claims. The shares received were valued at $735,000. Of this amount, $11,720 was recorded as a reduction in mineral property values (bringing their carrying value to nil) and the remainder was recorded as a gain on sale.

During the year ended December 31, 2016, the Company entered into an option agreement to acquire the Fortymile project in the Yukon. Prior to transferring the project to Taku, the Company paid $10,000 to the vendor of the property under the initial option agreement. Taku has assumed the remaining obligations under the original option agreement.

11. PROMISSORY NOTE

In conjunction with the acquisition of the Brewery Creek project in 2014 from Till Capital, the Company issued a $4,700,000 promissory note (the "Promissory Note"). 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 include the following:

- Payment schedule
  - Principal amount of $500,000 and $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 1, 2017;
  - 10% per annum through to June 1, 2018;
  - 12% per annum thereafter.

During the year ended December 31, 2017, the Company settled the remaining three payments outstanding under the Promissory Note with two payments totaling $3,446,389 (2016 - $717,450), including repayment of principal of $3,200,000 (2016 - $572,710) and interest of $246,389 (2016 - $144,740).

The Promissory Note was recognized initially at fair value, and 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% which is management's estimate of the Company's cost of borrowing.

(Expressed in Canadian dollars)

11. PROMISSORY NOTE (CONT'D)

	Classification	Promissory Note
Carrying value - December 31, 2015		**$ 3,488,912**
Principal payment on note	Cash	(572,710)
Payment of accreted interest	Cash	(144,740)
Accreted interest in the year	Non-cash	375,347
Carrying value - December 31, 2016		**3,146,809**
Principal payment on note	Cash	(3,200,000)
Payment of accreted interest	Cash	(246,389)
Accreted interest in the year	Non-cash	174,535
Loss on settlement of promissory note	Non-cash	125,045
Carrying value - December 31, 2017		**$ -**

12. FLOW THROUGH SHARE PREMIUM LIABILITY

Balance December 31, 2015	$ -
Liability incurred on flow-through shares issued	996,600
Settlement of flow-through share liability on expenditures incurred	(758,200)
Balance December 31, 2016	238,400
Liability incurred on flow-through shares issued	777,112
Settlement of flow-through share liability on expenditures incurred	(1,015,512)
Balance December 31, 2017	$ -

13. SHARE CAPITAL

a) Capital Stock

In March 2017, the Company completed a bought deal offering by way of short form prospectus. A total of 7,187,500 Class A common shares at a price of $1.60 per share and 3,108,450 flow-through Class A common shares at a price of $1.85 per flow-through share were sold for aggregate gross proceeds of $17,250,633. The Company paid a 6.9% commission for total of $1,190,294, $284,990 in other fees and issued 251,562 share purchase warrants to the Underwriters valued at $212,480. The Underwriters' warrants are exercisable into Class A common shares at a price of $1.60 per share, for a period of two years from the closing date.

13. SHARE CAPITAL (CONT'D)

a) Capital Stock (cont'd)

During the year ended December 31, 2017, the Company issued:

- 5,017,548 Class A common shares for proceeds of $1,600,048 related to the exercise of warrants,
- 1,786,250 Class A common shares for proceeds of $533,437 related to the exercise of stock options,
- 100,000 Class A common shares valued at $159,000 related to the purchase of the Reef property, and
- 85,000 Class A common shares valued at $66,300 related to the purchase of the Upper Hyland property.

In July 2016, the Company closed a private placement for 11,036,000 units at a price of $0.73 per unit and 8,305,000 flow-through units of the Company at a price of $1.00 per flow-through unit for total gross proceeds of $16,361,280. Each unit consists of one Class A common share of the Company and one-half of one share purchase warrant. Each flow-through unit consists of one flow-through Class A common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional Class A common share of the Company at a price of $1.00 per share for a period of two years from the closing date. The expiry date of the warrants can be accelerated if the Company's VWAP is $2.50 for 20 consecutive trading days, in which event the Company may give notice that the warrants expire 30 days following the notice of acceleration. The Company paid cash share issuance costs of $1,279,358 and issued 1,318,030 agent warrants valued at $606,294 in connection with the private placement.

In June 2016, the Company returned 10,312,154 Class A common shares to treasury. The shares were repurchased for $1,546,823 and the amount was deducted from equity. No gain or loss was recorded in the statement of comprehensive loss.

In June 2016, the Company issued 245,901 Class A common shares at a fair value of $196,721 to Tr'ondëk Hwëch'in First Nation as settlement of the agreement related to the Brewery Creek property.

In May 2016, the Company closed a private placement for 21,350,000 units and 5,650,000 flow-through units each at a price of $0.16 per unit for total proceeds of $4,320,000. Each unit consists of one Class A common share and one share purchase warrant. Each flow-through unit consists of one flow-through Class A common share and one share purchase warrant. Warrants comprising the units and flow-through units entitle holders to purchase one additional Class A common share, exercisable at a price of $0.21 per share for a period of two years from the date of issue of the warrants. The company paid cash share issuance costs of $208,569 and issued 1,274,000 finders' warrants valued at $407,228 in relation to the private placement. Each finders' warrant entitles the holder to purchase a finders' unit at an exercise price of $0.16 per unit. Each finders' unit is comprised of one Class A common share and one share purchase warrant which entitles the holder to purchase one Class A common share at an exercise price of $0.21 per share for a period of two years from the date of issue of the finders' units.

In April 2016, the Company issued 425,964 Class A common shares at a fair value of $85,193 to certain of its suppliers as payment for services provided.

In March 2016, the Company completed a share purchase agreement with a third party. The Company acquired 50,000 shares of Till Capital Ltd. and issued 1,875,000 units to the vendor in consideration at a fair value of $210,000. Each unit consists of one Class A common share and one share purchase warrant, with each warrant exercisable at $0.15 cents for two years.

13. SHARE CAPITAL (CONT'D)

a) Capital Stock (cont'd)

In February 2016, the Company closed a private placement for 2,315,000 units and 250,000 flow-through units each at a price of $0.10 per unit for total proceeds of $256,500. Each unit and flow-through unit consists of one Class A common share and one share purchase warrant. Each warrant forming part of a unit will entitle the holder to purchase one additional Class A common share, exercisable at a price of $0.15 per share for a period of two years from the date of issue of such warrant. Each warrant forming part of a flow-through unit will entitle the holder to purchase one additional flow-through Class A common share, exercisable at a price of $0.15 per share for a period of two years from the date of issue of such warrant. The Company paid share issuance costs of $7,783.

During the year ended December 31, 2016, the Company issued:

- 135,000 Class A common shares at a fair value of $27,000 to employees and contractors involved in the Company's bulk sample program on the 3 Aces property,
- 3,415,000 Class A common shares for proceeds of $683,250 related to the exercise of warrants and,
- 427,500 Class A common shares for proceeds of $106,863 related to the exercise of stock options.

b) 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, 2017, the Company recognized stock-based compensation related to options of $1,468,134 (2016 - $1,329,518). The weighted average fair value of options granted during the year ended December 31, 2017 was $0.69 (2016 - $0.45) per share.

(Expressed in Canadian dollars)

13. SHARE CAPITAL (CONT'D)

b) Stock options and warrants (cont'd)

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:

	2017	2016
Risk-free interest rate	1.23%	0.57%
Expected life of option	3 years	3 years
Expected dividend yield	0%	0%
Expected stock price volatility	105.37%	137.66%

Stock option transactions are summarized as follows:

	Outstanding Options	Weighted Average Exercise Price
Balance, December 31, 2015	**1,835,000**	**$ 0.16**
Granted	4,542,000	0.56
Exercised	(427,500)	0.19
Forfeited	(15,000)	0.69
Balance, December 31, 2016	**5,934,500**	**$ 0.46**
Granted	2,490,000	1.12
Exercised	(1,786,250)	0.30
Forfeited	(503,750)	1.00
Balance, December 31, 2017	**6,134,500**	**$ 0.73**
Exercisable, December 31, 2017	**4,101,500**	

(Expressed in Canadian dollars)

13. SHARE CAPITAL (CONT'D)

b) Stock options and warrants (cont'd)

As at December 31, 2017, incentive stock options were outstanding as follows:

Expiry Date	Outstanding Options	Exercise Price ($)
March 1, 2018	100,000	0.14
March 1, 2018	100,000	0.17
March 1, 2018	100,000	0.66
March 23, 2018	10,000	0.12
June 22, 2018	125,000	0.12
October 1, 2018	110,000	0.14
February 25, 2019	650,000	0.17
May 2, 2019	5,000	0.25
May 24, 2019	232,500	0.43
June 3, 2019	1,525,000	0.66
June 20, 2019	75,000	0.95
July 20, 2019	30,000	0.82
August 10, 2019	100,000	0.91
October 7, 2019	402,000	0.69
October 11, 2019	25,000	0.72
October 14, 2019	25,000	0.80
October 19, 2019	15,000	0.75
November 9, 2019	10,000	0.77
November 23, 2019	245,000	0.56
January 20, 2020	85,000	0.99
February 1, 2020	50,000	1.51
March 21, 2020	485,000	1.60
March 21, 2020	80,000	1.41
April 10, 2020	50,000	1.60
April 24, 2020	50,000	1.32
May 4, 2020	25,000	1.27
June 5, 2020	35,000	1.43
July 11, 2020	80,000	1.10
August 18, 2020	40,000	1.16
September 1, 2020	80,000	1.08
September 13, 2020	15,000	0.90
September 30, 2020	700,000	0.91
October 20, 2020	35,000	0.85
December 1, 2020	400,000	0.66
December 4, 2020	40,000	0.64
	6,134,500	**0.73**

(Expressed in Canadian dollars)

13. SHARE CAPITAL (CONT'D)

b) Stock options and warrants (cont'd)

As at December 31, 2016, incentive stock options were outstanding as follows:

Expiry Date	Outstanding Options	Exercise Price ($)
August 1, 2017	575,000	0.22
November 17, 2017	450,000	0.10
March 23, 2018	40,000	0.12
June 22, 2018	125,000	0.12
October 1, 2018	292,500	0.14
February 25, 2019	865,000	0.17
May 2, 2019	40,000	0.25
May 24, 2019	400,000	0.43
June 3, 2019	1,690,000	0.66
June 20, 2019	75,000	0.95
July 20, 2019	140,000	0.82
August 10, 2019	155,000	0.91
October 7, 2019	687,000	0.69
October 11, 2019	25,000	0.72
October 14, 2019	25,000	0.80
October 19, 2019	25,000	0.75
November 1, 2019	60,000	0.77
November 9, 2019	10,000	0.77
November 23, 2019	30,000	0.56
November 23, 2021	225,000	0.56
	5,934,500	**0.46**

During the year ended December 31, 2017, the Company issued:

- 251,562 finders' warrants with a fair value of $0.84 per warrant in connection with private placements (2016 – 2,592,030 finder's warrants and 39,235,500 warrants),
- 100,000 warrants with a fair value of $0.87 per warrant for the acquisition of the Reef property (2016 – nil);
- 300,000 warrants with a fair value of $0.37 per warrant for the acquisition of the Sprogge property (2016 – nil); and
- Nil warrants to a third party pertaining to the purchase agreement (2016 – 1,875,000).

The fair value of the warrants granted was 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:

	2017	2016
Risk-free interest rate	1.15%	0.61%
Expected life of option	2.7 years	2.0 years
Expected dividend yield	0%	0%
Expected stock price volatility	102.13%	104.71%

(Expressed in Canadian dollars)

13. SHARE CAPITAL (CONT'D)

b) Stock options and warrants (cont'd)

Share purchase warrant transactions are summarized as follows:

	Outstanding Warrants	Weighted Average Exercise Price ($)
Balance, December 31, 2015	**-**	**-**
Granted	43,702,530	0.40
Exercised	(3,415,000)	0.20
Balance, December 31, 2016	**40,287,530**	**0.42**
Granted	651,562	1.32
Exercised	(5,017,548)	0.32
Balance, December 31, 2017	**35,921,544**	**0.45**

At December 31, 2017, warrants were outstanding as follows:

Expiry Date	Outstanding Warrants	Exercise Price ($)
February 25, 2018	2,000,000	0.15
March 3, 2018	875,000	0.15
May 24, 2018	20,900,000	0.21
May 24, 2018 (finders' warrants)*	1,274,000	0.16
July 26, 2018	10,220,982	1.00
March 14, 2019	251,562	1.60
March 23, 2020	100,000	1.59
December 21, 2020	300,000	1.00
	35,921,544	**0.45**

* These finders' warrants are exercisable into one Class A common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional Class A common share at a price of $0.21 until May 24, 2018.

At December 31, 2016, warrants were outstanding as follows:

Expiry Date	Outstanding Warrants	Exercise Price ($)
February 25, 2018	2,000,000	0.15
March 3, 2018	1,875,000	0.15
May 24, 2018	24,150,000	0.21
May 24, 2018 (finders' warrants)*	1,274,000	0.16
July 26, 2018	10,988,530	1.00
	40,287,530	**0.44**

* These finders' warrants are exercisable into one Class A common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional Class A common share at a price of $0.21 until May 24, 2018.

(Expressed in Canadian dollars)

14. EXPLORATION EXPENSES

		2017		2016
Personnel	$	3,942,561	$	3,172,411
Drilling		3,812,341		1,345,089
Field and general		2,936,581		321,931
Logistics and support		2,009,014		1,489,235
Geochemistry		1,833,943		554,616
Helicopter and airplane		560,492		280,128
Community and environment		489,086		449,294
Amortization		366,057		181,694
Miscellaneous		74,063		73,490
Geophysics		34,435		108,575
Cost Recoveries		(1,371,042)		(139,262)
	$	**14,687,531**	**$**	**7,837,201**

15. GENERAL AND ADMINISTRATIVE EXPENSES

		2017		2016
Office and insurance	$	1,606,441	$	229,795
Share-based compensation		1,468,134		1,329,518
Travel, shareholder relations and promotion		606,527		544,037
Professional fees		353,223		286,887
Consulting fees		98,160		215,950
Regulatory & compliance		77,449		82,266
Gold mintage expense		13,850		-
Depreciation		1,671		-
	$	**4,225,455**	**$**	**2,688,453**

(Expressed in Canadian dollars)

16. SUPPLEMENTAL CASH FLOW INFORMATION

	2017	2016
Net change in non-cash working capital		
Accounts receivable	$ 81,800	$ (263,728)
Prepaid expenses and deposits	(147,995)	(97,135)
Accounts payable and accrued liabilities	(203,232)	1,945,070
Inventory	(744,333)	-
Due from associate	(3,243)	-
	$ (1,017,003)	**$ 1,584,207**

	2017	2016
Non-cash financing and investing activities		
Payment on debt by issue of common shares	$ 777,112	$ 996,600
Exercise of stock options	325,402	26,763
Shares issued for property acquisition	432,300	-
Warrants issued for property acquisition	198,585	-
Shares received for mineral properties (note 8 and 10)	1,667,500	145,573
Finder's units issued	-	1,013,401
Finder's warrants issued	212,480	-
Shares issued in purchase agreement	-	210,000
Shares issued for settlement of accounts payable	-	281,914
	$ 3,613,379	**$ 2,674,251**

17. RELATED PARTY TRANSACTIONS

a) Key management compensation

The compensation paid or payable to key management (Officers and Directors) for management services provided is as follows:

	2017	2016
Salary and management fees	$ 608,070	$ 232,617
Stock-based compensation	703,400	788,715
	$ 1,311,470	**$ 1,021,332**

b) Other transactions

During the year ended December 31, 2014, the Company entered into a Mining Lease and Sublease Agreement (the "Agreement") with a company owned by the Chairman of the Board, Platoro West Inc. ("Platoro"), on its Castle West property in Nevada. In February 2016, May 2016, and August 2016, the Company made option payments of US$2,500 (CAD: $3,135), US$18,000 (CAD $23,392) and US$12,555 (CAD: $16,313), respectively.

During the year ended December 31, 2017, the Company returned the Castle West property to Platoro, wrote off the December 31, 2016 balance of the property of $92,641 and paid additional lease fees of US$20,500 (CAD $27,537) to two underlying vendors.

(Expressed in Canadian dollars)

17. RELATED PARTY TRANSACTIONS (CONT'D)

c) Balances outstanding

There was $3,789 due to officers of the Company in accounts payable and accrued liabilities at December 31, 2017 (2016 - $2,777).

During the year ended December 31, 2017, the Company advanced $Nil (2016 - $26,184) to a director for future expense reimbursements to be incurred in the normal course of operations for general corporate matters.

d) Loans payable

During the year ended December 31, 2016, the Company received additional loans in the amount of $117,935 from a director, and then subsequently repaid the entire outstanding principal amount ($335,304) of the loans in full. The Director waived the interest owed on the loan and accordingly the Company recorded a gain on forgiveness of interest for $12,701.

18. INCOME TAXES

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

		2017		2016
Earnings (Loss) for the year	**$**	**(17,594,555)**	**$**	**(10,647,419)**
Expected income tax (recovery)		(4,575,000)		(2,768,000)
Impact of different foreign statutory tax rates on earnings of subsidiaries		-		(52,000)
Permanent differences		452,000		351,000
Impact of flow-through shares		1,495,000		1,928,000
Tax effect of flow-through premium recognized in income		(264,000)		(197,000)
Share issue costs		(384,000)		(389,000)
True up of prior year provision to statutory tax returns		(182,000)		4,000
Change in unrecognized deductible temporary differences and other		3,616,000		1,123,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

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

		2017		2016
Deferred Tax Assets (Liabilities)				
Share issue costs	$	562,500	$	323,000
Allowable capital losses		2,127,000		2,348,000
Non-capital losses available for future period		6,951,000		6,135,000
Property and equipment		949,000		758,000
Canadian eligible capital		122,000		142,000
Exploration and evaluation assets		12,342,000		9,730,000
Marketable securities		(32,000)		(23,000)
Unrecognized deferred tax assets	**$**	**23,021,500**	**$**	**19,413,000**

18. INCOME TAXES (CONT'D)

$25.7 million (2016 - $21.9 million) of non-capital losses and $2.1 million in other temporary differences (2016 - $1.2 million) expire between 2026 and 2039. Resource pools of $46.9 million (2016 - $35.4) and other temporary differences of $7.9 million (2016 - $7.8 million) have no expiry date.

19. 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, 2017 and 2016, the Company's carrying values of cash and cash equivalents, short term investments 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.

As at December 31, 2017 and 2016, the Company's marketable securities are based on level 1 inputs of the fair value hierarchy, the Promissory Note is based on level 2 inputs of the fair value hierarchy, and the derivative asset is based on level 3 inputs of the fair value hierarchy. Marketable securities values are based on the closing trading price of the shares on public stock exchanges at the period-end date. The Promissory Note is 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%, which is management's estimate of the Company's cost of borrowing. The fair value of the derivative asset was estimated using the Black-Scholes model with the assumptions disclosed in note 7.

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.

(Expressed in Canadian dollars)

19. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management

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, short term investments, 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, short term investments consist of GIC's held at a major Canadian financial institution and accounts receivable consists of goods and services tax and a minimal amount of accrued interest on guaranteed investment certificates, for which management believes the risk of loss to be 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.

Interest rate risk

Interest rate risk mainly arises from the Company's cash and cash equivalents and short-term investments, 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 favorable. As at December 31, 2017, the Company had working capital of $3,456,454 (2016 - $6,873,157)

The following tables detail the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows and may not agree with the carrying amounts on the Statements of Financial Position.

As at December 31, 2017		**Up to 1 year**		**1-5 years**		**Total**
Accounts payable and accrued liabilities	$	2,071,990	$	-	$	2,071,990

As at December 31, 2016		**Up to 1 year**		**1-5 years**		**Total**
Accounts payable and accrued liabilities	$	2,073,937	$	-	$	2,073,937
Flow-through share premium liability		238,400		-		238,400
Promissory note		1,000,000		2,200,000		3,200,000
	$	**3,312,337**	**$**	**2,200,000**	**$**	**5,512,337**

(Expressed in Canadian dollars)

19. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risks Management

Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is the risk of loss associated with movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is the risk of loss associated with commodity price movements. The Company closely monitors individual equity movements, the stock markets and commodity prices to determine appropriate actions to be taken by the Company. The Company has investments in certain publicly traded companies (marketable securities), and there can be no assurance that the Company can exit these positions if required, so there is a risk that proceeds may not approximate the carrying value of these investments. A 10% fluctuation in the price of the Company's marketable securities would increase or decrease comprehensive loss by $49,645 at December 31, 2017 (2016 - $38,661). A 10% fluctuation in the price of gold could increase or decrease loss and comprehensive loss by $74,433 at December 31, 2017 (2016 – nil).

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable level of risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents, short term investments and marketable securities.

The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the years ended December 31, 2017 and 2016.

20. COMMITMENTS

a) The Company has leases on office space in Vancouver (ending May 31, 2021) and Watson Lake (ending January 31, 2020), as well as leases on accommodation in Vancouver (ending December 31, 2018) and Whitehorse (ending May 14, 2018). These leases commit the Company to the following future minimum lease payments:

Year	Payments
2018	$ 144,852
2019	$ 99,170
2020	$ 82,288
2021	$ 83,406
2022	$ 35,259

20. COMMITMENTS (CONT'D)

b) On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the "MOU") with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory. Under the MOU, the Company will pay an annual Community Development fee of 2% of "on the ground" exploration expenditures.

c) An Amended and Restated Socio-Economic Accord for the Brewery Creek Project was entered into with the Tr'ondëk Hwëch'in First Nation in September 2012. Key aspects of the Socio-Economic Accord include the Company's commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to $45,000 per annum.

21. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2017, the Company:

a) Received proceeds of $158,200 from the exercise of 435,000 stock options.

b) Received proceeds of $861,750 from the exercise of 4,925,000 warrants.

c) On February 13, 2018, the Company completed a financing by way of short form prospectus. A total of 9,212,378 flow-through units (the "Flow-Through Units") at a price of $0.91 per Flow-Through Unit were sold for gross proceeds of $8,383,264. Each Flow-Through Unit consists of one Class A common share and one-half of one (non-flow-through) common share purchase warrant, each whole warrant entitles the holder to purchase one additional Class A common share at a price of $1.00 for a period of two years from the closing date. The Company paid the underwriters a 7% cash commission and issued them 460,618 share purchase warrants, exercisable at $0.91 per Class A common share for a period of two years from the closing date.

d) Granted 1,120,000 stock options at a weighted average exercise price of $0.72.