HINTERLAND METALS INC.

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FINANCIAL STATEMENTS

Years ended December 31, 2017 and 2016

Raymond Chabot
Grant Thornton LLP
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Val-d'Or, Quebec J9P 5T6

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Independent Auditor's Report

To the Shareholders of
Hinterland Metals Inc.

We have audited the accompanying financial statements of Hinterland Metals Inc., which comprise the statements of financial position as at December 31, 2017 and 2016 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the years 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 financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements present fairly, in all material respects, the financial position of Hinterland Metals Inc. as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Raymond Chabot Grant Thornton L.L.P. [1]

Val-d'Or
April 12, 2018

[1] FCPA auditor, FCA public accountancy permit no. A107240

(in Canadian dollars)

	As at December 31,	
	2017	**2016**
	$	**$**
ASSETS		
Current		
Cash	14,472	78,729
Listed shares	85,764	17,500
Sales tax receivable	3,148	44,989
Listed shares receivable	1,250	-
Mining tax credits and government grants receivable	50,583	45,485
Prepaid expenses	5,536	5,536
	160,753	192,239
Non-current		
Exploration and evaluation assets (Note 5)	535,722	573,149
Total assets	**696,475**	**765,388**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	113,073	96,338
Total liabilities	**113,073**	**96,338**
EQUITY		
Capital stock (Note 6)	5,469,130	5,469,130
Warrants	68,750	68,750
Contributed surplus	1,211,017	1,152,120
Deficit	(6,165,495)	(6,020,950)
Total equity	**583,402**	**669,050**
Total equity and liabilities	**696,475**	**765,388**

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

These financial statements were approved and authorized for issue by the Board of Directors on April 12, 2018.

(S) Mark Fekete
"Mark Fekete"
Director

(S) Zachary Dingsdale
"Zachary Dingsdale"
Director

HINTERLAND METALS INC.
STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2017 and 2016
(in Canadian dollars)

	2017	2016
	$	$
Expenses		
Management and consulting fees	39,600	39,600
Investor and shareholder relation expenses	31,921	34,476
Professional fees	40,111	86,391
Traveling and promotion	11,976	10,869
Office expenses	17,700	20,386
Exploration	6,900	14,426
Stock-based compensation (Note 6)	52,353	20,880
Gain on sale – exploration and evaluation assets (Note 5)	(137,579)	(68,750)
Write-off of exploration and evaluation assets (Note 5)	71,352	-
	134,334	158,278
Operating loss	(134,334)	(158,278)
Change in value of listed shares	(10,211)	(1,250)
Net loss and comprehensive loss	**(144,545)**	**(159,528)**
Basic and diluted net loss per share (Note 10)	(0.003)	(0.004)
Weighted-average number of common shares (Note 10)	42,269,614	36,269,149

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

HINTERLAND METALS INC.
STATEMENTS OF CHANGES IN EQUITY
Years ended December 31, 2017 and 2016
(in Canadian dollars)

	Number of common shares issued and fully paid	Capital stock	Warrants	Contributed surplus	Deficit	Total equity
		$	$	$	$	$
Balance at January 1, 2017	42,269,614	5,469,130	68,750	1,152,120	(6,020,950)	669,050
Net loss and comprehensive loss	-	-	-	-	(144,545)	(144,545)
Stock-based compensation	-	-	-	58,897	-	58,897
Balance at Dec. 31, 2017	**42,269,614**	**5,469,130**	**68,750**	**1,211,017**	**(6,165,495)**	**583,402**

	Number of common shares issued and fully paid	Capital stock	Warrants	Contributed surplus	Deficit	Total equity
		$	$	$	$	$
Balance at January 1, 2016	32,924,614	5,146,141	20,800	1,118,336	(5,861,422)	423,855
Net loss and comprehensive loss	-	-	-	-	(159,528)	(159,528)
Private placement	8,670,000	385,550	47,950	-	-	433,500
Broker shares	175,000	7,875	-	-	-	7,875
Broker warrants	-	(12,904)	-	12,904	-	-
Shares issued for the acquisition of mining rights in exploration and evaluation assets	500,000	15,000	-	-	-	15,000
Stock-based compensation	-	-	-	20,880	-	20,880
Share issue expenses	-	(72,532)	-	-	-	(72,532)
Balance at Dec. 31, 2016	**42,269,614**	**5,469,130**	**68,750**	**1,152,120**	**(6,020,950)**	**669,050**

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

HINTERLAND METALS INC.
STATEMENTS OF CASH FLOW
Years ended December 31, 2017 and 2016
(in Canadian dollars)

	2017	2016
	$	$
Operating activities		
Net loss	(144,545)	(159,528)
Items not involving cash		
Stock-based compensation	52,353	20,880
Change in value of listed shares	10,211	1,250
Accrued mining taxes credits receivable	-	(3,846)
Gain on sale of exploration and evaluation assets	(137,579)	(68,750)
Write-off of exploration and evaluation assets	71,352	-
	(148,208)	(209,994)
Changes in non-cash working capital items		
Sales tax receivable	41,841	(43,343)
Prepaid expenses	-	(1,980)
Accounts payable and accrued liabilities	19,010	2,969
Cash flow used in operating activities	**(87,357)**	**(252,348)**
Investing activities		
Disposal of listed shares	10,400	-
Acquisition of exploration and evaluation assets	(73,692)	(135,427)
Disposal of exploration and evaluation assets	78,392	50,000
Mining tax credits and government grants cashed	8,000	3,730
Cash flow from (used in) investing activities	**23,100**	**(81,697)**
Financing activities		
Private placement	-	433,500
Share issue expenses	-	(64,657)
Cash flow from financing activities	**-**	**368,843**
Net change in cash	(64,257)	34,798
Cash, beginning of year	78,729	43,931
Cash, end of year	**14,472**	**78,729**

Supplemental disclosure of cash flow information		
Exploration and evaluation assets included in accounts payable and accrued liabilities	28,479	30,754
Shares received on disposal of exploration and evaluation assets	83,875	18,750
Broker shares	-	7,875
Broker warrants	-	12,904
Shares issued for the acquisition of mining rights in exploration and evaluation assets	-	15,000
Stock-based compensation included in exploration and evaluation assets	6,544	-
Mining tax credits and government grants included in exploration and evaluation assets	13,098	41,779
Listed shares receivable on disposal of exploration and evaluation assets	6,250	-

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

1. GENERAL INFORMATION AND NATURE OF OPERATIONS

Hinterland Metals Inc. (the ''Company''), incorporated under the Canada Business Corporations Act, is a junior mining exploration company operating in Canada. The address of registered office is 3081, Third Avenue, Whitehorse, Yukon, Y1A 4Z7. The principal place of business is 1740 chemin Sullivan, bur. 1100, Val-d'Or, Quebec, J9P 7H1. The Company's shares are listed on the TSX Venture Exchange under the symbol HMI.

2. COMPLIANCE WITH IFRS AND GOING CONCERN ASSUMPTION

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and based on the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at December 31, 2017, the Company has an accumulated deficit of $6,165,495 ($6,020,950 as at December 31, 2016). These material uncertainties cast a significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are described below.

3.1 Basis of evaluation

The financial statements are prepared using the historical cost basis except for listed shares which are measured at fair value.

3.2 Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and liabilities are initially measured and recognized at their fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset and liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognized immediately in net income or loss.

Financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost less impairment loss (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortized cost and effective interest method

The Company's cash fall into this category of financial instruments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss is included in the change in value of listed shares line item. Fair value of listed shares is based on the last bid price on the stock market at the end of the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets are reclassified from amortized cost to FVTPL when the business model is changed such that the amortized cost criteria are no longer met. Reclassification of financial assets that are designated as at FVTPL on initial recognition is not allowed.

The Company's listed shares fall into this category of financial instruments.

Impairment of financial assets

All financial assets, except for those at FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:
- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter in bankruptcy or financial reorganization.

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. All interest related charges are reported in profit or loss within interest charge, if any. Accounts payable and accrued liabilities are measured at amortized cost using the effective interest method.

3.4 Basic and diluted loss per share

Basic loss per share is calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted net loss per share is calculated by adjusting loss attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the beginning of the period or, if later, at the date of issue of the potential ordinary shares.

For the purpose of calculating diluted loss per share, an entity shall assume the exercise of dilutive options and warrants of the Company. The assumed proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding options and warrants as explained in Note 10.

3.5 Mining tax credits and government grants receivable

The Company is entitled to a refundable tax credit for resources for mining companies on qualified exploration expenditures incurred. The exploration tax credits have been applied against the exploration costs incurred based on estimate made by management.

Furthermore, the Company is entitled to a refundable credit on duties for losses. This refundable credit on duties for losses is applicable on exploration costs incurred in the Province of Quebec. The credit on duties has been applied against the exploration cost incurred based on estimate made by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

3.6 Exploration and evaluation assets

Exploration and evaluation ("E&E") expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake E&E activities has been obtained, the costs of acquiring mineral rights, or options to acquire such rights (option agreement), expenses related to the E&E of mining properties less refundable tax credits and credits on duties related to these expenses are recognized as E&E assets. Expenses related to E&E include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the E&E phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in net income or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, E&E assets related to the mining property are transferred to property and equipment in mining assets under construction. Before the reclassification, E&E assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor the commercial viability of a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, however these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Proceeds on the sale of E&E assets are first applied by property in reduction of the costs previously capitalized to property and then in reduction of the E&E expenses. Any residual is recorded in the statement of comprehensive income.

3.7 Impairment of exploration and evaluation assets

At least once a year, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment reviews for E&E assets are carried out on a project by project basis, with each project representing a potential single cash generating unit. Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the E&E assets of the related mining property are tested for impairment before these items are transferred to property and equipment. The impairment loss is the amount by which the asset's cash-generating unit's carrying amount exceeds its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of comprehensive income.

When an impairment loss subsequently reverses when it is justified by a change of circumstances, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset in prior years. A reversal of an impairment loss is recognized in the statement of comprehensive income.

3.8 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 "Income Taxes" specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill.

3.9 Equity

Capital stock represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they were measured at their fair value according to the quoted price on the day of the conclusion of the agreement.

If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus.

Unit placements
Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Flow-through placements
Issuance of flow-through units represents in substance an issue of ordinary shares, warrants, if any, and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as flow-through share premium in the statement of financial position. Proceeds from the issuance of units by flow-through private placements are allocated between shares and any warrants issued, if any, and a liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and then, if any, to warrants according to the fair value of the warrants at the time of issuance and then any residual in the proceeds is allocated to the liability. The fair value of the warrants are estimated using the Black-Scholes model.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The flow-through share premium, which is the liability component recorded initially on the issuance of shares, is reversed on renouncement of tax deductions to the investors or when the Company has the intention to renounce of tax deductions to the investors and when admissible expenses are incurred and recognized in net income or loss in reduction of deferred income tax expense.

Other elements of equity

Contributed surplus includes charges related to share options until such equity instruments are exercised and expired warrants.

Warrants includes charges related to outstanding and exercisable warrants.

Deficit includes all current and prior period net loss and the effect of warrant extension, if any.

3.10 Equity-settled stock-based payments

The Company has an equity-settled stock-based remuneration plan (stock options plan) for its eligible directors, officers, employees and consultants. The Company's plan do not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any stock-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or service received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees and other providing similar services are rewarded using stock-based payments, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions. The model used by the Company is the Black-Scholes valuation model.

All equity-settled stock-based payments (except warrants to agents) are ultimately recognized as an expense in the net loss or capitalized as an E&E asset, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Warrants to agents, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if stock options ultimately exercised are different to that estimated on vesting.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as capital stock. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to capital stock.

3.11 Segmental reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the president and the Board of Directors. The president and the Board of Directors have joint responsibility for allocating resources and assessing performance. The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Provision and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

At December 31, 2017, and 2016, the Company had no material provisions. All provision, if any, are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.13 Accounting standards issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. These standards will be adopted at the effective date, but are not expected to have an impact on the Company's financial statements.

3.14 Standards issued that are not yet effective but have been early adopted by the Company

IFRS 9 (2014) – Financial Instruments was issued in July 2014 and differs in some regards from IFRS 9 which the Company early adopted effective January 1, 2010. IFRS 9 (2014) includes updated guidance on the classification and measurement of financial assets. The final standards also amend the impairment model by introducing a new expected audit loss model for calculating impairment. IFRS 9 also provides new guidance on the application of hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018.

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

4.1 Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, to meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

4.2 Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.
In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available. See Note 5 for the exploration and evaluation assets impairment analysis.

The total write-off on exploration and evaluation assets recognized in profit or loss amounts to $71,352 in 2017 ($nil in 2016) while no impairment loss on exploration and evaluation assets was recognized in 2017 and 2016. No reversal of impairment losses has been recognized for the reporting periods.

Management judged that there was no testing for impairment required this year on properties. The Company has sufficient funds to respect its short term obligations and has both the intention and capacity to keep the properties. Additionally, exploration work are budgeted, claims will not expire in the near future or are expected to be renewed, work was performed during the last three years and/or promising results were obtained on these properties.

Stock-based payments

The estimation of stock-based payment costs requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's own share, the probable life of stock options and warrants granted and the time of exercise of those stock options and warrants. The model used by the Company is the Black-Scholes valuation model.

(in Canadian dollars)

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Mining tax credits and government grants receivable

The calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, exploration and evaluation assets, and income tax expense in future periods. See note 3.5 for more information.

5. EXPLORATION AND EVALUATION ASSETS

	Mining rights	Exploration and evaluation expenses	Total
	$	$	$
Quebec	130,938	404,784	535,722
Balance, December 31, 2017	**130,938**	**404,784**	**535,722**

	Mining rights	Exploration and evaluation expenses	Total
	$	**$**	**$**
Quebec	140,018	429,211	569,229
New Brunswick	3,420	500	3,920
Balance, December 31, 2016	**143,438**	**429,711**	**573,149**

Details of exploration and evaluation assets for 2017

Areas of interest	**Quebec**	**Ontario**	**New Brunswick**	**Total**
	$	**$**	**$**	**$**
Balance, January 1, 2017	569,229	-	3,920	573,149
Acquisitions of mining rights:				
Staking and maintenance fees	16,575	27,751	-	44,326
Exploration and evaluation expenses:				
Surface exploration	6,842	-	20,249	27,091
Stock-based compensation	6,544	-	-	6,544
Mining tax credits and government grants	(2,986)	-	(10,112)	(13,098)
	10,400	-	10,137	20,537
Net additions for the year	26,975	27,751	10,137	64,863
Disposal	(3,187)	(27,751)	-	(30,938)
Write-off	(57,295)	-	(14,057)	(71,352)
Balance, December 31, 2017	**535,722**	**-**	**-**	**535,722**

(in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Details of exploration and evaluation assets for 2016

Areas of interest	Quebec	New Brunswick	Total
	$	$	$
Balance, January 1, 2016	448,088	-	448,088
Acquisitions of mining rights:			
Staking and maintenance fees	40,820	3,420	44,240
Shares issued to vendors	15,000	-	15,000
	55,820	3,420	59,240
Exploration and evaluation expenses:			
Surface exploration	107,100	500	107,600
Mining tax credits	(41,779)	-	(41,779)
	65,321	500	65,821
Net additions for the year	121,141	3,920	125,061
Balance, December 31, 2016	**569,229**	**3,920**	**573,149**

All write-off changes are included within write-off of exploration and evaluation assets in profit or loss.

QUEBEC

5.1 Mozart

The Company holds a 100% interest in the Mozart property located 60 km northeast of Val-d'Or, Quebec. The property is subject to a 2.5% net smelter returns royalty ('NSR"). The Company has the right to purchase 1.5% of the NSR for $1 million and has a right of first refusal on the remaining 1%.

5.2 Guyberry

The Company holds a 100% undivided interest in the Guyberry property located in the Guyenne and Berry townships, 95 km northwest of Val-d'Or.

5.3 Skyfall

In April 2017, the Company staked the Skyfall Gold property located 75 km south of Chapais, Quebec in the Urban-Barry Greenstone Belt.

5.4 Chilton Cobalt

During the summer 2016, the Company acquired the Chilton Cobalt property located approximately 40 km east of Saint-Jovite in the Laurentian region of Quebec.

On February 27, 2017, the Company sold a 100% interest in the Chilton Cobalt property to CBLT Inc. ("CBLT") (previously known as Green Swan Capital Corp.) for 150,000 units. Each unit is composed of one share of CBLT and one share purchase warrant exercisable at $0.10 up to March 3, 2019. The 150,000 shares were valued at $16,500 (based on the closing price on the day of the Exchange approval). A gain on sale of $13,313 was accounted in profit or loss. The Company retains a 2% NSR on the property. CBLT may purchase one-half (i.e., 1%) of the NSR for $1 million.

5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

5.5 Lockout

The Company held a 100% undivided interest in the Lockout property situated in the Chibougamau Mining District.

On March 11, 2016, the Company sold the property to Beaufield Resources Inc. ("Beaufield") for $50,000 cash and 250,000 common shares of Beaufield (at deemed value of $18,750). The Company retains a 2% NSR. Beaufield has the right to purchase one-half (i.e., 1%) of the NSR for $1 million, and has the right of first refusal on the remaining 1%.

5.6 Brexit

In June 2016, the Company staked the Brexit property located approximately 40 km southeast of the village of Nemaska, in Quebec.

In 2017, management has decided that there is no longer any point investing in lithium exploration. Accordingly, acquisition and exploration costs of $23,463 for Brexit were written off as of September 2017.

5.7 Troilus

On October 11, 2016, the Company signed an option and joint venture agreement with Beaufield whereby the Company may earn an interest in Beaufield's Troilus property located in the Frotet-Evans area of Quebec, approximately 100 km north of Chibougamau. Pursuant to the agreement, the Company could have earned a 50% interest in the Troilus property by issuing to Beaufield an aggregate of 2,000,000 shares (500,000 issued on October 11, 2016 valued at $15,000) and completing work expenditures of $2,000,000 ($200,000 in the first year) over a four year period.

On October 17, 2017, the Company notified Beaufield that it was not proceeding with the Troilus option and JV agreement signed on October 11, 2016 and wrote off the exploration and evaluation assets for $33,832.

5.8 Tardif

In September 2017, the Company staked the Tardif property located approximately 50 km north of Quevillon in the Abitibi Region.

5.9 James Bay

During the summer 2016, the Company staked a strategic portfolio of four properties in the James Bay area of Quebec, Nakami, Sakami North, Dunite and Auclair.

5.10 Ebay

The Company holds a 100% undivided interest in the Ebay Property situated in the Val-d'Or Mining District of Quebec. All costs related to Ebay were written off in prior years.

5.11 Belleterre

The Company held a 30% interest in the Belleterre Property situated in the Rouyn-Noranda Mining Division, subject to a 2.5% NSR royalty of which the Company may purchase 1.5% for $1.5 million. A director of the Company holds half of this royalty interest.

On July 2, 2017, the Company entered into a sale and purchase agreement with Australia based Zeus Minerals Corp. ("Zeus") whereby the Company has agreed to sell its 30% interest in the Belleterre property. The consideration is $21,000 comprised of $10,500 cash and $10,500 in fully paid common shares of Zeus calculated using the volume weighted average price of the shares on the Australian Stock Exchange ("ASX") over the 10 trading days prior to the share issuance. Zeus has not yet listed on the ASX. However, Zeus settled the share payment by assigning 350,000 shares of Meteoric Resources NL (ASX:MEI) to the Company. A gain on sale of $21,242 was accounted in profit or loss.

5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

NEW BRUNSWICK

5.12 Cape Spencer

In June 2016, the Company staked the Cape Spencer property, located 15 km east of Saint John, New Brunswick. The results were very discouraging and accordingly $14,057 in costs associated with Cape Spencer were written off as of December 31, 2017.

ONTARIO AND YUKON

5.13 Teck

The Company holds the Teck Property in the Kirkland Lake Gold Camp of Ontario following the consolidation of claims through nine agreements with vendors. All the agreements except one are subject to a 2% NSR and a 2% Gross Overriding Receipts royalty on all diamonds extracted, of which 1% of the combined royalties may be purchased by the Company for $1 million each (except one royalty which can be purchased for $500,000). The Teck property has not been active for a number of years. All costs related to Teck were written off in prior years.

5.14 Gowganda

In March 2017, the Company staked the Gowganda property located 85 km northwest of Cobalt, Ontario. On May 5, 2017, the Company signed an agreement to sell the Gowganda property to CBLT Inc. for $67,650 cash and 562,500 units valued at $50,625 (based on the closing price on the day of the Exchange approval). Each unit is composed of one share of CBLT and one share purchase warrant exercisable at $0.10 up to November 12, 2018. A gain on sale of $90,524 was accounted in profit or loss. The Company retains a 2% NSR on the property. CBLT may purchase one-half (i.e., 1%) of the royalty interest for $1 million.

5.15 Harker

The Harker property is located in the Larder Lake Mining Division of Ontario. The Company retains a 0.75% NSR royalty of which 0.375% may be purchased by Newmont Canada Ltd for $500,000.

5.16 Tak

As part of a syndicate, the Company obtained a 25% interest in the Tak property located in Yukon by staking. All costs associated with Tak were written off in previous years.

On January 9, 2017, the Company sold to Eureka Resources Inc. ("Eureka") its 25% interest in the Tak property located in Yukon for 125,000 shares of Eureka valued at $12,500 accounted as gain on sale in profit or loss.

6. CAPITAL STOCK

6.1 Authorized

The authorized capital stock is as follows:

- Unlimited number of common shares without par value
- Unlimited number of preferred shares without par value at conditions to be determined by the Board of directors when issued

6.2 Private placement

On August 17 and September 7, 2016, the Company closed a non-brokered private placement in two tranches for gross proceeds of $433,500 by issuing 8,670,000 units at a price of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of $0.10 until August 17, 2018 and September 7, 2018 respectively.

(in Canadian dollars)

6. CAPITAL STOCK (CONT'D)

In connection with the Offering, the Company paid total finder's fees of $25,900 in cash, issued 175,000 finder's shares (valued at $7,875), and issued 343,000 non-transferable broker's warrants. Each broker's warrant entitles the agent to purchase one additional common share of the Company at a price of $0.05 per broker's warrant until August 17, 2018.

On August 17 and September 7, 2016, the Company's share closed at $0.045 and $0.040 respectively on the Exchange, therefore the residual value attributed to the warrants is $38,750 and $9,200 respectively. The estimated fair value of the broker's warrants was determined using the Black-Scholes pricing model based on the following assumptions: no expected dividend yield, an expected volatility of 200.4%, a risk free interest rate of 0.52% and an expected life of the warrants of 24 months.

6.3 Warrants

A summary of changes on the Company's warrants is presented below:

	2017			2016		
	Number of warrants	Value	Weighted average exercise price	Number of warrants	Value	Weighted average exercise price
		$	$		$	$
Balance, beginning of year	10,160,000	68,750	0.10	1,490,000	20,800	0.10
Issued (Note 6.2)	-	-	-	8,670,000	47,950	0.10
Balance, end of year	**10,160,000**	**68,750**	**0.10**	**10,160,000**	**68,750**	**0.10**

Warrants outstanding as at December 31, 2017:

Number of shares to be issued	Exercise price	Expiry date
	$	
900,000	0.10	May 27, 2018 (1)
590,000	0.10	June 13, 2018(1)
7,750,000	0.10	August 17, 2018
920,000	0.10	September 7, 2018
10,160,000		

(1) On May 17, 2016, the Exchange approved a 2 year extension on the warrants that were due to expire on May 27, 2016 and June 13, 2016.

6.4 Broker warrants

Changes in the Corporation's number of outstanding broker warrants were as follow:

	2017		2016	
	Number of warrants	Amount	Number of warrants	Amount
		$		$
Balance, beginning of period	343,000	12,904	-	-
Issued following private placements (note 6.2)	-	-	343,000	12,904
Balance, end of period	**343,000**	**12,904**	**343,000**	**12,904**

(in Canadian dollars)

6. CAPITAL STOCK (CONT'D)

Broker warrants outstanding as at December 31, 2017:

Number of shares to be issued	Exercise price	Expiry date
	$	
343,000	0.05	August 17, 2018
343,000		

6.5 Stock options

An incentive stock option plan (the "Plan") was approved in 2004 and renewed by shareholders on June 13, 2017. The Plan is a "rolling" plan whereby a maximum of 10% of the issued shares at the time of the grant are reserved for issue under the Plan to executive officers and directors, employees and consultants. The Board of directors attributes the stock options and the exercise price of the options is set at the Company's closing share price on the day before the grant date. The options have a maximum term of five years and have no vesting period except for options granted to persons performing investor relations activities which must at a minimum vest in stages over a period not less than 12 months with no more than one fourth of the option vesting in any three-month period. All stock-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

On March 30, 2016, the Company granted 2,400,000 stock options to directors and officers at an exercise price of $0.05 for five years. These options were granted at an exercise price higher than the closing market value of the shares the day preceding the grant date and vest immediately. Total fair value of these options amounts to $20,880 as stock-based compensation expense, the offsetting credit being recorded in contributed surplus. The assumptions used include a share price at date of grant of $0.01, an interest rate without risk of 0.66%, an expected life of the options of 5 years, no expected dividend yield, an estimated volatility of 166.3% and results in a fair value per option of $0.0087. The underlying expected volatility was determined by reference to historical data of the Company's share on the Exchange over the previous 5 years.

On June 15, 2017, the Company granted 1,800,000 stock options to directors and officers at an exercise price of $0.05 for five years. These options were granted at an exercise price higher than the closing market value of the shares the day preceding the grant date and vest immediately. Total fair value of these options amounts to $58,897 ($52,353 as stock-based compensation expense, profit or loss and $6,544 as exploration and evaluation expenses in the statement of financial position), the offsetting credit being recorded in contributed surplus. The assumptions used include a share price at date of grant of $0.035, an interest rate without risk of 1.15%, an expected life of the options of 5 years, no expected dividend yield, an estimated volatility of 170,8% and results in a fair value per option of $0.03272. The underlying expected volatility was determined by reference to historical data of the Company's share on the Exchange over the previous 5 years.

A summary of changes in the Company's stock options outstanding and exercisable is presented below:

	2017		2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Balance, beginning of year	2,000,000	0.05	631,250	0.64
Granted	1,800,000	0.05	2,400,000	0.05
Expired	-	-	(631,250)	0.64
Forfeited	-	-	(400,000)	0.05
Balance, end of year	**3,800,000**	**0.05**	**2,000,000**	**0.05**

(in Canadian dollars)

6. CAPITAL STOCK (CONT'D)

Stock options outstanding and exercisable as at December 31, 2017:

Number of options outstanding and exercisable	Exercise price	Expiry date
	$	
2,000,000	0.05	March 31, 2021
1,800,000	0.05	June 15, 2022
3,800,000		

6.6 Policies and processes for managing capital

The capital of the Company consists of the items included in equity of $583,402 as of December 31, 2017 ($669,050 as of December 31, 2016). The Company's objectives when managing capital are to safeguard its ability to continue its operations as a going concern as well as its acquisition and exploration programs. As needed, the Company raises funds through private placements.

When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve. The Company does not use long-term debts since it does not generate operating revenues. There is no dividend policy. The Company does not have any externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject, unless the Company closes a flow-through private placement where the funds are restricted in use for exploration expenses, for which the Company was in compliance during the year.

7. INCOME TAXES

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statement of comprehensive income can be reconciled as follows:

	2017	2016
	$	$
Loss before income taxes	(144,545)	(159,528)
Income taxes at the combined federal and provincial tax rate of 26.8% (26.9% in 2016)	(38,738)	(42,913)
Prior period adjustments	-	(2,314)
Other and non-deductible expenses	354	(519)
Changes in tax rate	14,224	-
Stock-based payments	14,031	5,617
Tax effect of current year temporary differences not recognized	8,223	39,961
Change in value of listed shares not taxable	1,906	168
Deferred income tax income	**-**	**-**

(in Canadian dollars)

7. INCOME TAXES (CONT'D)

The major components of tax income are outlined below:

	2017	2016
	$	$
Deferred tax income		
Origination and reversal of temporary differences	(22,447)	(37,647)
Prior period adjustments	-	(2,314)
Changes in tax rate	14,224	-
Tax effect of current year temporary differences not recognized	8,223	39,961
Total income tax income	**-**	**-**

The recorded deferred income tax assets and liabilities result from differences between the carrying amount and the tax basis of the following items:

	Deferred income taxes			
	January 1, 2017	**Recognized in equity**	**Recognized in net income or loss**	**December 31, 2017**
	$	$	$	$
Deferred income tax assets (tax liabilities)				
Non-capital loss carry forwards	15,270	-	(198)	15,072
Exploration and evaluation assets	(10,603)	-	(4,164)	(14,767)
Other tax credits	(4,667)	-	4,362	305
	-	-	-	-
Effect of other liability on flow-through shares reversed to deferred income taxes			-	
Variation of future income taxes in the income statement			**-**	

	Deferred income taxes			
	January 1, 2016	**Recognized in equity**	**Recognized in net income or loss**	**December 31, 2016**
	$	$	$	$
Deferred income tax assets (tax liabilities)				
Non-capital loss carry forwards	4,707	-	10,563	15,270
Exploration and evaluation assets	(4,303)	-	(6,300)	(10,603)
Other tax credits	(404)	-	(4,263)	(4,667)
	-	-	-	-
Effect of other liability on flow-through shares reversed to deferred income taxes			-	
Variation of future income taxes in the income statement			**-**	

(in Canadian dollars)

7. INCOME TAXES (CONT'D)

The deducting timing differences and unused tax losses for which the Company has not recognized deferred tax assets as at December 31, 2017 are as follows:

	As at December 31, 2017	
	Federal	**Provincial**
	$	**$**
Unrecognized deductible temporary differences		
Exploration and evaluation assets	-	1,791,357
Non-capital loss carry forward	1,327,805	1,418,834
Listed shares	4,065	4,065
Share issue expenses	48,231	48,231
Capital losses	74,237	74,237
Exploration equipment	14,910	14,910
Intangibles	266,066	266,066
	1,735,314	**3,617,700**

The Company has non-capital losses, which are available to reduce income taxes in future periods, for which no deferred tax asset has been recorded in the statement of financial position that can be carried over the following years:

	As at December 31, 2017	
	Federal	**Provincial**
	$	**$**
2032	295,175	390,572
2033	256,806	256,806
2034	250,662	250,283
2035	182,621	182,001
2036	213,442	212,670
2037	129,099	126,502
	1,327,805	**1,418,834**

The Company has investment tax credits to receive for an amount of $30,149 that are not recognized. Those credits can be applied to reduce federal income tax and expire between 2027 and 2033.

8. COMPENSATION TO KEY MANAGEMENT AND RELATED PARTY DISCLOSURES

8.1 Compensation to key management

Key management includes directors and officers. Compensation awarded to key management included:

	2017	**2016**
	$	**$**
Short-term compensation		
Management and consulting fees (a) and c))	39,600	39,600
Professional fees (b))	17,654	29,870
Total compensation	**57,254**	**69,470**

8. COMPENSATION TO KEY MANAGEMENT AND RELATED PARTY DISCLOSURES (CONT'D)

8.2 Related party transactions

In the normal course of operations:

a) A company controlled by the CEO charged management fees of $30,000 ($30,000 in 2016), professional fees relating to exploration work amounting to $41,300 ($47,764 in 2016), rent of $12,000 ($13,000 in 2016);
b) A company controlled by the CFO charged professional fees of $17,654 ($29,870 in 2016) and professional fees for her staff of $5,252 ($10,135 in 2016);
c) A company controlled by the Corporate Secretary charged management fees of $9,600 ($9,600 in 2016);
d) A company controlled by a director (up to June 13, 2017) charged professional fees relating to exploration work amounting to $nil ($10,500 in 2016);
e) As at December 31, 2017, the balance due to the related parties was $91,886 ($51,918 as at December 31, 2016).

Out of the normal course of operations:

a) As part of the 2016 private placement described in Note 6.2, certain officers of the Company subscribed for 820,000 units for $41,000.

9. FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are described below.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash. As at December 31, 2017, the Company's maximum exposure to credit risk is limited to the carrying amount of this financial asset at the reporting date totaling $14,472 ($78,729 as at December 31, 2016). The exposure to credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings. The Company continuously monitors defaults of counterparties.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. The Company manages its financial resources to ensure that there is sufficient working capital to fund near-term, planned exploration work and operating expenditures. As of December 31, 2017, the Company had enough funds available to meet its financial liabilities. Accounts payable and accrued liabilities are due within three months.

Fair Value
Fair value estimates are made at the financial position date, based on relevant market information and other information about financial instruments. The fair value of the listed shares is based on the last bid price on the stock market at the end of the period (level 1 of the fair value hierarchy). The carrying value of cash and accounts payable and accrued liabilities are considered to be an approximation of fair value because of the short maturity of these instruments.

The method and valuation techniques for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

(in Canadian dollars)

9. FINANCIAL INSTRUMENTS (CONT'D)

Market risk – other price risk
The listed shares held by the Company are exclusively shares from issuers on the Exchange whose activities are in the mineral exploration and mining field. The fair value of the listed shares represents the maximum exposure to price risk. As of December 31, 2017, a 49% (10% in 2016) decrease (increase) in the closing price on the stock market would result in an estimated increase (decrease) in operating loss of approximately $42,024 ($1,750 as at December 31, 2016).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year.

Both the basic and diluted loss per share have been calculated using the net loss attributable to the shareholders of the Company as the numerator, i.e. no adjustment to the net loss were necessary in 2017 and 2016.

	2017	**2016**
	$	**$**
Loss attributable to the shareholders of the Company	(144,545)	(159,528)
Weighted average number of shares in circulation	42,269,614	36,269,149
Basic and diluted loss per share	**(0.003)**	**(0.004)**

In 2017 and 2016, the diluted loss per share, potential ordinary shares such as share options and warrants have not been included, as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Note 6.

There have been no other transactions involving common shares between the reporting date and the date of authorization of these financial statements.