Financial statements of
Maple Gold Mines Ltd.
(Formerly Aurvista Gold Corporation)
(An Exploration Stage Company)

December 31, 2017

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Independent Auditor's Report

To the Shareholders of
Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation)

We have audited the accompanying financial statements of Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation), which comprise the statement of financial position as at December 31, 2017, and the statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows 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 financial statements in accordance with International Financial Reporting Standards, 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 Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation) as at December 31, 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company had no operating revenues and had incurred a net loss of $12,297,067. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter

The financial statements of Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation) as at and for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on April 26, 2017.

/s/ Deloitte LLP

Chartered Professional Accountants
April 18, 2018
British Columbia, Canada

Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation)

Statements of financial position

As at December 31, 2017 and 2016

(Expressed in Canadian dollars)

	Notes	2017	2016
		$	$
Assets			
Current assets			
Cash and cash equivalents	4	**5,905,140**	4,734,942
Marketable securities		**—**	113,400
Sales taxes receivable		**444,157**	277,499
Mining exploration tax credit receivable		**—**	100,000
Prepaid expenses and deposits		**386,821**	82,783
		6,736,118	5,308,624
Property and equipment	5	**266,608**	456
		7,002,726	5,309,080
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**1,804,355**	736,812
Flow-through share premium liability	7	**1,475,434**	—
Lease inducement - current portion	17	**3,483**	—
Payable to Revenu Quebec	8	**474,789**	242,000
		3,758,061	978,812
Non-current liabilities			
Lease inducement	17	**76,590**	—
Provision for site reclamation and closure	6	**50,384**	—
		3,885,035	978,812
Equity			
Share capital	9	**40,455,261**	34,839,323
Reserves	9	**10,732,663**	5,473,029
Accumulated other comprehensive loss		**—**	(208,918)
Deficit		**(48,070,233)**	(35,773,166)
		3,117,691	4,330,268
		7,002,726	5,309,080
Commitments	17		
Contingencies	18		

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

Approved by the Board

(signed) B. Matthew Hornor
___________________________ Director
B. Matthew Hornor

(signed) Jay Chmelauskas
___________________________ Director
Jay Chmelauskas

Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation)

Statements of loss and comprehensive Loss

Year ended December 31, 2017 and 2016

(Expressed in Canadian dollars)

	Notes	2017	2016
		$	$
Operating expenses (income)			
Exploration and evaluation expenses	6	**8,528,553**	1,836,443
General and administrative	10	**4,554,691**	1,195,362
Finance income		**(31,094)**	(1,404)
Finance expense		**4,180**	122,454
Amortization of flow-through share premium	7	**(866,030)**	(127,230)
Loss on sale of marketable securities		**106,767**	—
Loss for the year		**12,297,067**	3,025,625
Other comprehensive income			
Items that will be reclassified subsequently to income			
Net change in available for sale financial assets		**(208,918)**	(64,800)
Other comprehensive income for the year		**(208,918)**	(64,800)
Total comprehensive loss for the year		**12,088,149**	2,960,825
Basic and diluted loss per share	13	**0.08**	0.04
Weighted average number of common shares outstanding (basic and diluted)		**159,825,356**	86,300,449

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

Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation)

Statements of changes in equity

Year ended December 31, 2017 and 2016

(Expressed in Canadian dollars, except share amounts)

Equity attributable to shareholders

	Notes	Share capital		Reserves				
		Number	Amount	Share-based payments reserve	Warrants reserve	Accumulated other comprehensive loss	Deficit	Total
			$	$	$	$	$	$
Balance, December 31, 2015		69,511,617	32,014,380	912,567	—	(273,718)	(32,747,541)	(94,312)
Shares and warrants issued pursuant to a private placement, net of share issue costs and flow-through liability	9(b)(ii)	16,177,504	435,250	—	471,021	—	—	906,271
Shares issued pursuant to a private placement, net of share issue costs	9(b)(iii)	5,000,000	257,159	—	196,440	—	—	453,599
Shares issued pursuant to a private placement, net of share issue costs	9(b)(iv)	39,995,334	2,072,535	—	3,513,001	—	—	5,585,536
Warrants exercised		477,952	59,999	—	(12,204)	—	—	47,795
Share-based payments		—	—	392,204		—	—	392,204
Comprehensive loss		—	—			64,800	(3,025,625)	(2,960,825)
Balance, December 31, 2016		131,162,407	34,839,323	1,304,771	4,168,258	(208,918)	(35,773,166)	4,330,268
Shares and warrants issued pursuant to a private placement, net of share issue costs and flow-through liability	9(b)(i)	**31,034,150**	**2,731,195**	—	**4,767,987**	—	—	**7,499,182**
Options exercised		**1,515,000**	**237,629**	**(61,629)**	—	—	—	**176,000**
Warrants exercised		**18,159,857**	**2,647,114**	—	**(690,180)**	—	—	**1,956,934**
Share-based payments		—	—	**1,243,456**	—	—	—	**1,243,456**
Comprehensive loss		—	—	—	—	**208,918**	**(12,297,067)**	**(12,088,149)**
Balance, December 31, 2017		**181,871,414**	**40,455,261**	**2,486,598**	**8,246,065**	—	**(48,070,233)**	**3,117,691**

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

Maple Gold Mines Ltd. (Formerly Aurvista Gold Corporation)

Statements of cash flows

Year ended December 31, 2017 and 2016

(Expressed in Canadian dollars)

	2017	2016
	$	$
Operating activities		
Loss for the year	**(12,297,067)**	(3,025,625)
Adjustments for		
Amortization	**33,933**	1,819
Amortization of flow-through share premium	**(866,030)**	(127,230)
Share-based payments	**1,243,456**	392,204
Loss on sale of marketable securities	**106,767**	—
Lease inducement	**80,073**	—
Provision for site reclamation and closure	**50,384**	—
Changes in non-cash working capital items		
Sales taxes receivable	**(166,658)**	(167,682)
Mining exploration tax credit receivable	**100,000**	—
Prepaid expenses and deposits	**(304,038)**	(55,113)
Accounts payable and accrued liabilities	**1,067,541**	424,238
Payable to Revenu Quebec	**232,789**	(200,000)
Other receivables	**—**	114,165
	(10,718,850)	(2,643,224)
Investing activities		
Acquisition of property and equipment	**(300,085)**	—
Proceeds on sale of marketable securities	**215,553**	—
	(84,532)	—
Financing activities		
Proceeds from issuance of common shares, net of share issue costs	**9,840,646**	7,072,636
Proceeds from option exercise	**176,000**	—
Proceeds from warrant exercise	**1,956,934**	47,795
	11,973,580	7,120,431
Net change in cash and cash equivalents	**1,170,198**	4,477,207
Cash and cash equivalents, beginning of year	**4,734,942**	257,735
Cash and cash equivalents, end of year	**5,905,140**	4,734,942

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

1. Corporate information

Maple Gold Mines Ltd. (formerly Aurvista Gold Corporation) (the "Company" or "Maple Gold") is a company domiciled in Canada. Maple Gold was incorporated on June 3, 2010 under the Ontario Business Corporations Act and was continued under the Canada Corporations Act by articles of continuance dated June 22, 2011. The address of the Company's registered office is 250 Place d'Youville, 2e etage, Montreal, Quebec, H2Y 2B6. The Company is primarily involved in the exploration of mineral resources. The Company changed its name to Maple Gold Mines Ltd. on November 8, 2017.

The Company's financial statements have been prepared on a going concern basis, which presumes the realization of assets and satisfaction of liabilities in the normal course of business.

For the year ended December 31, 2017, the Company had no operating revenues and incurred a loss of $12,297,067. At December 31, 2017, the Company had cash and cash equivalents of $5,905,140 ($4,734,942 in December 31, 2016).

At December 31, 2017, the Company believes that it has adequate resources to maintain its minimum obligations, including general corporate activities, based on its cash position and ability to pursue additional sources of financing, including equity placements.

The Company currently has no source of operating cash flow, and has no assurance that additional funding will be available to it for additional exploration programs at its properties, or to enable the Company to fulfill its obligations under any applicable agreements. The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing (Note 19) to successfully explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. As such, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. Basis of presentation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on April 18, 2018.

(b) Basis of preparation

These financial statements have been prepared on a historical cost basis except for marketable securities that have been measured at fair value. The presentation currency is the Canadian dollar; therefore all amounts are presented in Canadian dollars unless otherwise noted.

2. Basis of presentation (continued)

(c) Critical accounting judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Critical judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements are as follows:

i. Going concern risk assessment

Management considers whether there exists any event(s) or condition(s) that may cast significant doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

ii. Mineral exploration tax credits recoverable ("METC")

Due to complex tax laws and regulations, the Company estimates amounts recoverable as METC based on returns filed, the assessment history of the filings by the respective regulatory authorities and the expected recoverable amount on claimable qualifying expenditures. This subject's complexity requires management to make judgments about the eligible exploration expenditures.

The Company has received METC payments from Revenu Quebec with respect to the 2011 to 2015 tax years and these tax years are currently under audit by Revenu Quebec (Note 8). No METC payment has been received from Revenu Quebec for the 2016 and 2017 tax years. The 2016 METC claim of approximately $465,000 is under audit by Revenu Quebec and the 2017 METC claim is approximately $2,157,000.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

i. Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

ii. Share-based compensation

The Company determines the fair value of share options granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

2. Basis of presentation (continued)

(c) Critical accounting judgments and estimates (continued)

iii. Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

iv. Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

3. Significant accounting policies

(a) Foreign currency translation

The financial statements of the Company are prepared in its functional currency determined on basis of the primary economic environment in which it operates. The presentation and functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates and non-monetary items measured at historical cost are translated into the entity's functional currency at rates in effect at the date the transaction took place.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are included in the statements of loss and comprehensive loss for the period in which they arise.

(b) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid short-term investments that are readily convertible to cash and have maturities with terms of less than ninety days and/or with original maturities over ninety days but redeemable on demand without penalty.

(c) Mineral Exploration Tax Credits ("METC")

The Company recognizes METC amounts when the Company's METC application is approved by relevant taxation authorities or when the amount to be received can be reasonably estimated and collection is reasonably assured. These METC amounts are offset against exploration and evaluation expenses.

3. Significant accounting policies (continued)

(d) *Property and equipment*

Property and equipment is stated at cost less accumulated amortization and impairment losses. Amortization is calculated using the straight-line method over the estimated useful lives as follows:

Camp equipment	5 years
Computer equipment	3 years
Leasehold improvements	Lower of term of lease or economic life
Office furniture	Lower of term of lease or economic life

Amortization methods, useful lives and residual values are reviewed periodically and at each financial year end and adjusted it appropriate

(e) *Exploration and evaluation expenses*

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties. The Company has investigated title to its mineral property and, to the best of its knowledge title to its property is in good standing.

The costs of acquiring rights to explore, exploratory drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contain proven and probable reserves are exploration and evaluation expenses and are expensed as incurred to the date of establishing that costs incurred are economically recoverable. Exploration and evaluation expenses incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related mining property.

Management uses the following criteria in its assessments of economic recoverability and probability of future economic benefit:

(i) Geology: there is sufficient geologic certainty of converting a mineral deposit into a proven and probable reserve. There is a history of conversion to reserves at operating mines;

(ii) Scoping, prefeasibility or feasibility: there is a scoping study, prefeasibility or preliminary feasibility study that demonstrates the additional reserves and resources will generate a positive commercial outcome. Known metallurgy provides a basis for concluding there is a significant likelihood of being able to recover the incremental costs of extraction and production;

(iii) Accessible facilities: the mineral deposit can be processed economically at accessible mining and processing facilities where applicable;

(iv) Life of mine plans: an overall life of mine plan and economic model to support the economic extraction of reserves and resources exists. A long-term life of mine plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body; and

(v) Authorizations: operating permits and feasible environmental programs exist or are obtainable.

3. Significant accounting policies (continued)

(e) Exploration and evaluation expenses (continued)

Prior to capitalizing exploratory drilling, evaluation, development and related costs, management determines that the following conditions have been met:

(i) It is probable that a future economic benefit will flow to the Company;

(ii) The Company can obtain the benefit and controls access to it;

(iii) The transaction or event giving rise to the future economic benefit has already occurred; and

(iv) Costs incurred can be measured reliably.

(f) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(g) Provision for site reclamation and closure

An obligation to incur rehabilitation and site restoration costs arises when environmental disturbance is caused by the exploration, development or on-going production of a mineral property interest. Costs for restoration of subsequent site damage, which is created on an on-going basis during production, are provided for at their estimated net present values and charged against earnings as extraction progresses.

(h) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An asset’s recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

3. Significant accounting policies (continued)

(h) Impairment of assets (continued)

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in the statement of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal of impairment is recognized in the statement of loss and comprehensive loss.

(i) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. The diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the 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 were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

(j) Share-based compensation

From time to time, the Company grants stock options to employees and non-employees. An individual is classified as an employee, versus a non-employee, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of stock options, measured using the Black-Scholes option pricing model at the date of grant, is charged to the statement of loss and comprehensive loss over the vesting period. Performance vesting conditions and forfeitures are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of loss and comprehensive loss over the remaining vesting period.

Equity instruments granted to non-employees are recorded in the statement of loss and comprehensive loss at the fair value of the goods or services received, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for a share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are recorded in equity reserves until exercised. Upon exercise, shares are issued from treasury and the amount previously recorded in equity reserves is reclassified to share capital along with any consideration paid.

3. Significant accounting policies (continued)

(k) Income taxes

Income tax reported in the statement of loss and comprehensive loss for the period presented comprises current and deferred income tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax for the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or recoverable with regards to previous periods.

Deferred income tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the expected future tax rates enacted or substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(l) Leased assets

Leases are classified based on the transaction substance rather than the contract form. Leases are classified as operating lease if they don’t transfer substantially all the risks and rewards related to the ownership. Leases are classified as finance leases if they transfer substantially all the risks and rewards related to the ownership. Finance leases are recognized at the lower of the fair market value and the present value of the minimum lease payments at the lease agreement date.

(m) Financial instruments

The Company recognizes financial assets and liabilities on its statement of financial position when it becomes a party to the contract creating the asset or liability.

On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss (“FVTPL”). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

3. Significant accounting policies (continued)

(m) Financial instruments (continued)

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities and are described as follows:

Classification	Measurement after initial recognition	Recognition of gains or losses related to fair value changes
Financial assets		
Loans and receivables	Amortized cost (using the effective interest method)	On de-recognition, impairment and write-downs
Held-to-maturity	Amortized cost (using the effective interest method)	On de-recognition, impairment and write-downs
Available-for-sale ("AFS")	Fair value	Recognized in other comprehensive loss (income) and reclassified to comprehensive loss (income) on de-recognition and impairment
Other financial liabilities	Amortized cost (using the effective interest method)	On de-recognition, impairment and write-downs
FVTPL	Fair value	Recognized in comprehensive loss (income)

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as FVTPL unless they are designated as effective hedging instruments.

The Company's cash and cash equivalents and deposits are classified as loans and receivables, marketable securities are classified as AFS and the Company's accounts payable and accrued liabilities are classified as other financial liabilities. As at December 31, 2017 and 2016, the Company has not classified any financial assets as held-to-maturity or FVTPL.

(n) Comprehensive loss

Other comprehensive loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive loss comprises net loss and other comprehensive loss. Financial assets that are classified as AFS will have unrealized gains and losses included in other comprehensive loss until the asset is sold, permanently impaired, or derecognized.

(Expressed in Canadian dollars, unless otherwise stated)

3. Significant accounting policies (continued)

(o) Changes in accounting policies

Revenue recognition

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018. The Company anticipates that there will be no material changes as a result of adopting this standard.

Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments ("IFRS 9") to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company anticipates that there will be no material changes as a result of adopting this standard.

Leases

In January 2016, the IASB published a new accounting standard, IFRS 16 – Leases ("IFRS 16") which supersedes IAS 17 – Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, has also been applied. The Company is in the process of determining the impact the standard is expected to have on its financial statements.

4. Cash and cash equivalents

	2017	2016
	$	$
Components of cash and cash equivalents		
Cash	**409,492**	734,942
Cash equivalents	**5,495,648**	4,000,000
	5,905,140	4,734,942

As at December 31, 2017, the Company had the obligation to incur $3,780,800 ($nil in 2016) in exploration expenditures related to flow-through share issuances by December 31, 2018.

(Expressed in Canadian dollars, unless otherwise stated)

5. Property and equipment

	Camp equipment	Computer equipment	Office furniture	Leasehold improvements	Total
	$	$	$	$	$
Cost					
Balance, December 31, 2015	—	9,169	—	14,480	23,649
Disposals	—	—	—	(14,480)	(14,480)
Balance, December 31, 2016	—	9,169	—	—	9,169
Additions	71,175	103,812	35,247	89,851	300,085
Balance, December 31, 2017	**71,175**	**112,981**	**35,247**	**89,851**	**309,254**
Accumulated depreciation					
Balance, December 31, 2015	—	6,894	—	14,480	21,374
Amortization	—	1,819	—	—	1,819
Disposals	—	—	—	(14,480)	(14,480)
Balance, December 31, 2016	—	8,713	—	—	8,713
Amortization	3,559	25,879	4,495	—	33,933
Balance, December 31, 2017	**3,559**	**34,592**	**4,495**	**—**	**42,646**
Net book value					
December 31, 2016	—	456	—	—	456
December 31, 2017	**67,616**	**78,389**	**30,752**	**89,851**	**266,608**

6. Douay Gold Project

The accumulated exploration and evaluation expenses, which have been incurred, are as follows:

	2017	2016
	$	$
Acquisition	**357,500**	—
Camp set up	**744,367**	—
Drilling, core assaying and logging	**4,817,328**	1,465,209
Engineering	**156,318**	37,100
Enviromental	**124,523**	480
Geochemical	**252,278**	—
Geology	**698,792**	41,915
Geophysics	**115,206**	219,716
Licences and permits	**98,981**	16,972
Project management and supervision	**160,450**	10,080
Other exploration support costs	**330,823**	29,351
Share-based payments	**139,674**	47,467
Site reclamation	**50,384**	—
Mineral exploration tax credits	**481,929**	(31,847)
	8,528,553	1,836,443
Opening accumulated expenses	**30,617,046**	28,780,603
Closing accumulated expenses	**39,145,599**	30,617,046

6. Douay Gold Project (continued)

During the year ended December 31, 2017, the Company repurchased and cancelled the 1.5% NSR on the North West Claims from CANEX Metals Inc. for a total cash consideration of $325,000, revised its obligations to CANEX further to the bonus purchase price, for $20,000 and acquired the remaining 10% interest in the West Zone acquired from Société d'Exploration Miniére Vior Inc. ("Vior") for $12,500.

The Company recognizes a provision for site reclamation and closure, which reflects the present value of the estimated amount of cash flows required to satisfy the site reclamation and closure obligation in respect of the Douay Gold Project. The components of this obligation are the removal of buildings and hoist equipment at the site as well as costs associated with the reclamation of the camp housing and work sites on the property. The estimate of future site reclamation obligation is subject to change based on amendments to applicable laws, management's intentions, and mining lease renewals.

The present value of future estimated cash flows required to settle the site reclamation and closure obligation was estimated at $50,384. The key assumptions on which this estimate is based are:

- Undiscounted cash flow for site reclamation of $50,000 ($nil in 2016)
- Expected timing of future cash flows is based on mining leases expiration, which is between 2018 and 2019
- Annual inflation rate 2.07%
- Risk-free interest rate 1.68%

7. Flow-through share premium liability

On June 26, 2017 and July 14, 2017, the Company completed a brokered a private placement for gross proceeds of approximately $6,000,001 through the issuance of 14,634,150 flow-through shares at a price of $0.47 per flow-through share (Note 9(b)(i)). The flow-through shares were issued at a premium of $0.16 per flow-through share, calculated as the difference between the price of a flow-through share and the price of a common share, as tax deductions generated by the eligible expenditures will be passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced. The total flow-through share premium liability related to the 14,634,150 flow-through shares issued is $2,341,464 and represents the Company's obligation to spend the $6,000,001 on eligible expenditures which the Company expects to complete during the year ending December 31, 2018. As of December 31, 2017, $2,219,201 of eligible expenditures has been incurred and the liability has been amortized accordingly as shown in the table below.

On May 30, 2016, the Company completed a non-brokered a private placement for gross proceeds of approximately $508,960 through the issuance of 6,361,504 flow through units at a price of $0.08 per flow through unit (Note 9(b)(ii)). The flow-through shares were issued at a premium of $0.02 per flow through share. The total flow through share premium liability related to the 6,361,504 flow through shares issued was $127,230 and represented the Company's obligation to spend the $508,960 on eligible expenditures which the Company completed and fully amortized in the year ended December 31, 2016 as shown in the table below.

(Expressed in Canadian dollars, unless otherwise stated)

7. Flow-through share premium liability (continued)

	$
Balance, December 31, 2015	—
Flow–through share premium liability at issuance	127,230
Amortization of flow–through share premium	(127,230)
Balance, December 31, 2016	—
Flow–through share premium liability at issuance	2,341,464
Amortization of flow–through share premium	(866,030)
Balance, December 31, 2017	**1,475,434**

8. Payable to Revenu Quebec

Revenu Quebec has conducted audits of the Company's mineral exploration tax credit filings for the 2011 to 2015 tax years. Revenu Quebec has disallowed certain amounts that the Company believes are claimable qualifying expenditures. The Company intends to defend its filing positions and the Company has filed notice of objections with Revenu Quebec's Appeals Division for each of the years 2011 to 2014.

9. Share capital and reserves

(a) Authorized

Unlimited common shares without par value

(b) Share issuances

Year ended December 31, 2017:

(i) On June 26, 2017, the Company closed the first tranche of a private placement of 7,536,501 flow-through units at a price of $0.41 per unit for gross proceeds of $3,089,965 and 16,400,000 common share units at a price of $0.25 per unit for gross proceeds of $4,100,000. On July 14, 2017, the Company closed the final tranche of its private placement of 7,097,649 flow-through units at a price of $0.41 per unit for gross proceeds of $2,910,036. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each common share unit consisted of one non flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.40 per share until June 27, 2022. In connection with the placement, finders' fees of $186,002 were incurred.

The fair value of the 31,034,150 warrants was estimated using the Black-Scholes option pricing model to be $4,767,987. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 151% which is based on historical volatility; estimated risk-free interest rate - 1.12%; and an expected average life of 5 years.

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)

(b) Share issuances (continued)

Year ended December 31, 2017 (continued):

(i) (continued)

A reconciliation of the impact of the non-brokered private placement on the common shares is as follows:

	Number of common shares	Amount
		$
Private placement – flow–through units	14,634,150	6,000,001
Private placement – common share units	16,400,000	4,100,000
Share issuance costs	—	(259,355)
	31,034,150	9,840,646
Valuation of warrants issued	—	(4,767,987)
Flow–through share premium liability	—	(2,341,464)
	31,034,150	2,731,195

Year ended December 31, 2016:

(ii) On May 30, 2016, the Company closed a non-brokered private placement of 6,361,504 flow-through units at a price of $0.08 per unit for gross proceeds of $508,920 and 9,816,000 common share units at a price of $0.06 per unit for gross proceeds of $588,960. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each common share unit consisted of one non flow-through common share and one share purchase warrant. Each warrant entitled the holder to purchase one additional common share of the Company at an exercise price of $0.10 per share until May 30, 2017. The gross proceeds from the non-brokered private placement were also offset by $127,230, which relates to the flow-through share premium liability, fully amortized at December 31, 2016.

In connection with the placement, finders' fees of $76,852 were incurred and 768,516 finders' warrants were issued which entitled the holder to purchase one common share at an exercise price $0.10 for a period of 12 months from the closing date.

The fair value of the 16,177,504 warrants and 768,516 finder warrants were estimated using the Black-Scholes option pricing model to be $413,075 and $57,946, respectively. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 152% which is based on historical volatility; estimated risk-free interest rate - 0.60%; and an expected average life of 1 year.

As at May 30, 2017, 16,177,504 warrants and 764,925 finder warrants were exercised and 3,591 finder warrants expired unexercised.

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)

(b) Share issuances (continued)

Year ended December 31, 2016 (continued):

(ii) (continued)

A reconciliation of the impact of the non-brokered private placement on the common shares is as follows:

	Number of common shares	Amount
		$
Private placement – flow – through units	6,361,504	508,920
Private placement – common share units	9,816,000	588,960
Share issuance costs	—	(64,379)
	16,177,504	1,033,501
Valuation of warrants issued	—	(471,021)
Flow–through share premium liability	—	(127,230)
	16,177,504	435,250

(iii) On July 25, 2016, the Company closed a non-brokered private placement of 5,000,000 common share units at $0.10 per unit for gross proceeds of $500,000. Each unit consisted of one common share and one half common share purchase warrant. Each whole common share warrant entitles the holder to purchase one additional common share at an exercise price of $0.13 per share until July 25, 2019.

In connection with the placement, finders' fees of $16,100 were incurred and 161,000 finders' warrants were issued which entitled the holder to purchase one common share at an exercise price of $0.13 until July 25, 2017.

The fair value of the 2,500,000 warrants and 161,000 finder warrants have been estimated using the Black-Scholes option pricing model to be $156,045 and $40,395, respectively. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 162% which is based on historical volatility; estimated risk-free interest rate - 0.57%; and an expected average life of 3 years.

The Company acquired the Douay Gold Project in 2011 from Vior. The 2011 agreement provided Vior with anti-dilution protection being a pre-emptive right to subscribe for shares of the Company in the event that the Company made any share issuances. Vior had wanted to participate in the July 25, 2016 private placement at $0.10 per unit, but agreed not to participate at the request of the Company. In order to compensate Vior for not participating the Company paid Vior $120,000 for this specific offering, with its rights under the 2011 agreement remaining whole and unaffected.

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)

(b) Share issuances (continued)

Year ended December 31, 2016 (continued):

(iii) (continued)

A reconciliation of the impact of the non-brokered private placement on the common shares is as follows:

	Number of common shares	Amount
		$
Private placement - common share units	5,000,000	500,000
Share issurance costs	—	(46,401)
	5,000,000	453,599
Valuation of warrants issued	—	(196,440)
	5,000,000	257,159

(iv) On November 25, 2016, the Company closed a placement of 39,995,334 common share units at $0.15 per unit for gross proceeds of $5,999,300. Each unit consisted of one common share and one common share warrant. Each common share warrant entitles the holder to purchase one additional common share at an exercise price of $0.28 per share until November 15, 2019.

In connection with the placement, finders' fees of $373,305 were incurred and 2,573,328 finders' warrants were issued which entitles the holder to purchase one common share unit at an exercise price of $0.15 until November 15, 2019.

The fair value of the 39,995,334 warrants and 2,573,328 finder warrants have been estimated using the Black-Scholes option pricing model to be $2,675,339 and $837,662, respectively. The following weighted average assumptions were used: expected dividend yield - 0%; expected volatility - 162% which is based on historical volatility; estimated risk-free interest rate - 0.73%; and an expected average life of 3 years.

A reconciliation of the impact of the private placement on the common shares is as follows:

	Number of common shares	Amount
		$
Private placement – common share units	39,995,334	5,999,300
Share issuance costs	—	(413,764)
	39,995,334	5,585,536
Valuation of warrants and finders' warrants issued	—	(3,513,001)
	39,995,334	2,072,535

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)

(c) Stock options

The Company maintains a Rolling Stock Option Plan providing for the issuance of stock options up to 10% of the Company's issued and outstanding common shares at the time of the grant. The Company may grant stock options from time to time to its directors, officers, employees and other service providers. The stock options vest as to 25% on the date of the grant and 25% on each of the next three anniversaries thereafter for a total vesting period of 36 months.

The continuity of the number of stock options issued and outstanding is as follows:

	Number of stock options	Weighted average exercise price
		$
Outstanding, December 31, 2015	5,930,000	0.13
Granted	6,790,000	0.25
Expired	(310,000)	0.12
Outstanding, December 31, 2016	12,410,000	0.20
Granted	6,845,000	0.31
Exercised	(1,515,000)	0.12
Expired	(500,000)	0.40
Cancelled	(1,505,000)	0.23
Outstanding, December 31, 2017	**15,735,000**	**0.24**

As at December 31, 2017, the number of stock options outstanding and exercisable was:

Expiry date	Number of options	Exercise price	Outstanding remaining contractual life (years)	Number of options	Exercise price	Exercisable remaining contractual life (years)
		$			$	
December 19, 2018	1,270,000	0.12	0.97	1,270,000	0.12	0.97
November 18, 2020	2,210,000	0.10	2.88	1,657,500	0.10	2.88
July 11, 2021	800,000	0.24	3.53	400,000	0.24	3.53
August 30, 2021	400,000	0.24	3.67	200,000	0.24	3.67
November 28, 2021	4,210,000	0.25	3.91	2,375,000	0.25	3.91
March 2, 2022	475,000	0.40	4.17	118,750	0.40	4.17
May 23, 2022	3,300,000	0.30	4.39	825,000	0.30	4.39
August 28, 2022	1,800,000	0.30	4.66	450,000	0.30	4.66
October 10, 2022	1,270,000	0.30	4.78	317,500	0.30	4.78
	15,735,000	0.24	3.77	7,613,750	0.21	3.31

The Company uses the fair value method of accounting for all share-based payments to directors, officers, employees and others providing similar services. During the year ended December 31, 2017, an amount of $1,243,456 ($392,204 in 2016) was expensed as stock based compensation.

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)

(c) Stock options (continued)

The fair values of the share options granted in 2017 and 2016 were estimated using the Black-Scholes option valuation model with the following assumptions:

	2017	2016
	Option grants	Option grants
	$	$
Risk-free interest rate	**1.28%**	0.88%
Expected dividend yield	**nil**	nil
Stock price volatility	**151%**	154%
Expected life in years	**5**	5
Weighted average grant date fair value	**0.27**	0.15

The expected volatility assumption is based on the historical and implied volatility of the Company's common shares. The risk-free interest rate assumption is based on the Government of Canada benchmark bond yields and treasury bills with a remaining term that approximates the expected life of the stock options.

(d) Share purchase warrants

The continuity of the number of share purchase warrants is as follows:

	Warrants outstanding	Exercise price
		$
Outstanding, December 31, 2015	—	—
Issued	62,175,682	0.22
Exercised	(477,952)	0.10
Outstanding, December 31, 2016	61,697,730	0.22
Issued	31,387,590	0.40
Exercised	(18,159,857)	0.11
Expired	(3,591)	0.10
Outstanding, December 31, 2017	**74,921,872**	**0.32**

(Expressed in Canadian dollars, unless otherwise stated)

9. Share capital and reserves (continued)

(d) Share purchase warrants (continued)

As at December 31, 2017, the expiration date on the share purchase warrants outstanding is as follows:

Expiry date	Number of warrants	Exercise price
		$
July 25, 2019	1,872,500	0.13
November 15, 2019	39,795,334	0.28
November 15, 2019	2,219,888	0.15(1)
June 27, 2022	31,034,150	0.40
	74,921,872	

(i) These finders' warrants are exercisable into one common share unit which consists of one common share and one common share warrant. Each common share warrant entities the holder to purchase one additional common share at an exercise price $0.28 per share until November 15, 2019.

10. General and administrative

	2017	2016
	$	$
Amortization	**30,373**	1,819
Directors' fees	**81,496**	—
Office and general	**433,490**	126,260
Professional fees	**625,796**	153,024
Regulatory transfer agent and shareholder information	**198,264**	59,690
Salaries and benefits	**1,170,024**	293,097
Share–based payments	**1,103,782**	344,737
Travel, marketing and investor relations	**911,466**	216,735
	4,554,691	1,195,362

11. Related party balances and transactions

Compensation of key management personnel

During the period, compensation to key management personnel was as follows:

	2017	2016
	$	$
Salaries and benefits	**449,609**	195,000
Share-based payments	**791,900**	272,019
Termination payments	**260,000**	—
	1,501,509	467,019

(Expressed in Canadian dollars, unless otherwise stated)

12. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

13. Loss per share

Basic loss per share amounts are calculated by dividing the net loss for the period by the weighted average number of ordinary shares outstanding during the period.

	2017	2016
	$	$
Loss attributable to ordinary shareholders	**12,297,067**	3,025,625
Weighted average number of common shares	**159,825,356**	86,300,449
Basic and diluted loss per share	**0.08**	0.04

As at December 31, 2017, the Company had 15,735,000 share options (12,410,000 as at December 31, 2016) and 74,921,872 share purchase warrants (61,697,730 as at December 31, 2016) outstanding, all of which were anti-dilutive because the Company was in a loss position for the years ended December 31, 2017, and December 31, 2016.

14. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, deposits, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

- Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at December 31, 2017 no financial instruments were measured at fair value. As at December 31, 2016 the only financial instruments measured at fair value were the Company's marketable securities, which were classified under level 1 of the fair value hierarchy.

No transfer occurred between the levels during the year.

The Company's financial instruments are exposed to credit risk, liquidity risk, and market risks, which include currency risk and interest rate risk.

14. Financial instruments (continued)

(a) *Credit risk*

Credit risk is the risk that a third party fails to discharge its obligations under the terms of the financial contract and causes a financial loss for the Company. The Company's credit risk is attributable to its cash and cash equivalents and deposits. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalent balances in highly rated Canadian financial institutions. The Company considers the risk of loss associated with cash and cash equivalents to be low.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within twelve months of the statement of financial position date.

(c) *Market risk*

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risks to which the Company is exposed are as follows:

(i) *Foreign currency risk*

The Company is exposed to currency risk by having balances and transactions in currencies that are different from its functional currency (the Canadian dollar). As at December 31, 2017 and 2016 and throughout 2017 and 2016, the Company held immaterial balances in foreign currencies. Foreign currency risk is considered to be minimal.

(ii) *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's exposure to interest rate risks is limited to potential increases or decreases on the interest rate offered on cash and cash equivalents held at chartered Canadian financial institutions, which would result in higher or lower relative interest income. This risk is considered to be minimal.

(Expressed in Canadian dollars, unless otherwise stated)

15. Income taxes

(a) Income tax recovery provision

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is:

	2017	2016
	$	$
Loss before income taxes	**12,297,067**	3,025,625
Canadian federal and provincial income tax rates	**26.5%**	26.5%
Expected income tax recovery	**(3,258,723)**	(801,791)
Increase (decrease) in income tax recovery resulting from		
Non-deductible exploration and evaluation expenses	**871,679**	133,113
Flow-through shares renunciation	**513,651**	134,864
Share-based compensation	**329,516**	103,934
Amortization of flow-through share premium	**(229,498)**	(33,716)
Share issuance costs	**(68,729)**	(53,262)
Unrecognized changes in fair value of marketable securities	**28,293**	—
Other	**(75,737)**	(38,418)
Increase in unrecognized tax asset	**1,889,548**	555,276
Income tax recovery	**—**	—

(Expressed in Canadian dollars, unless otherwise stated)

15. Income taxes (continued)

(b) Significant components of the deferred tax assets and liabilities are:

5	2016	Net loss	Equity	OCI	2017
	$	$	$	$	$
Deferred income tax assets					
Non-capital losses carried forward	1,545,697	930,128	—	—	2,475,825
Exploration and evaluation expenses	1,408,790	995,705	—	—	2,404,495
Property and equipment	28,287	8,992	—	—	37,279
Share issuance costs	136,706	—	20,759	—	157,465
Marketable securities	31,465	(31,465)	—	—	—
	3,150,945	1,903,360	20,759	—	5,075,064
Deferred income tax liabilities					
Lease inducement	—	(21,219)	—	—	(21,219)
Site reclamation	—	(13,352)	—	—	(13,352)
Deferred tax assets	3,150,945	1,868,789	20,759	—	5,040,493
Unrecognized deferred tax assets	(3,150,945)	(1,868,789)	(20,759)	—	(5,040,493)
Net deferred tax balance	—	—	—	—	—

	2015	Net loss	Equity	OCI	2016
	$	$	$	$	$
Deferred income tax assets					
Non-capital losses carried forward	1,281,807	263,890	—	—	1,545,697
Exploration and evaluation expenses	1,194,248	214,542	—	—	1,408,790
Property and equipment	27,805	482	—	—	28,287
Share issuance costs	51,758	—	84,948	—	136,706
Marketable securities	40,051	—	—	(8,586)	31,465
	2,595,669	478,914	84,948	(8,586)	3,150,945
Unrecognized deferred tax assets	(2,595,669)	(478,914)	(84,948)	8,586	(3,150,945)
Net deferred tax balance	—	—	—	—	—

(Expressed in Canadian dollars, unless otherwise stated)

15. Income taxes (continued)

(c) Tax losses

The Company has accumulated non-capital losses of approximately $9,342,737 ($5,832,820 in December 31, 2016) in Canada, which may be carried forward to reduce taxable income of future years. The non-capital losses will, if unused, expire in:

	$
2030	376,630
2031	1,190,823
2032	1,218,803
2033	489,458
2034	662,030
2035	899,264
2036	995,812
2037	3,509,917
	9,342,737

16. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and development of resource properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company considers the components of shareholders' equity to be its capital.

The Company manages the capital structure and makes adjustments to 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 issue new shares or debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to maximize ongoing development efforts, the Company does not pay out dividends, does not have any long-term debt and is not subject to any externally imposed capital requirements.

The Company currently has sufficient working capital and is able to meet its ongoing current obligations as they become due. However, the Company will likely require additional capital in the future to meet its project related expenditures. Future liquidity will depend upon the Company's ability to arrange additional debt or equity financing, as the Company relies on equity financings to fund its exploration and corporate activities.

17. Commitments

The Company has entered into lease agreements for office space in Toronto and Vacouver with terms that expire between 2020 and 2022.

As part of the Company's Toronto lease agreement, the Company received a lease inducement of $69,650 related to a rent free period of three months. Additionally, the Company receives a portion of the rentable area rent free until December 31, 2018 with a value of $3,312 per month.

(Expressed in Canadian dollars, unless otherwise stated)

17. Commitments (continued)

As at December 31, 2017, the Company's liabilities that have contractual activities are as follows:

	Total	2018	2019	2020	2021	2022
Operating leases	3,037,503	873,005	981,294	622,764	336,264	224,176

Subsequent to December 31, 2017, the Company has entered into sub-lease agreements for portions of its office space in Toronto and Vancouver.

The Company's liabilities that have contractual activities after giving effect to the sub-lease agreements are as follows:

	Total	2018	2019	2020	2021	2022
Operating leases	1,429,571	533,495	557,584	199,053	83,664	55,776

18. Contingencies

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

19. Subsequent event

On April 11, 2018, the Company closed a non-brokered private placement of 16,458,334 common shares at a price of $0.24 per common share for gross proceeds of $3,950,000. In connection with the placement administrative fees of $187,000 were paid to certain participants.