GENERIC GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018 AND PERIOD FROM INCORPORATION (MAY 30, 2017) TO DECEMBER 31, 2017

(EXPRESSED IN CANADIAN DOLLARS)

UHY McGovern Hurley LLP
Chartered Professional Accountants

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@uhymh.com
Web www.uhymh.com

Independent Auditor's Report

To the Shareholders of Generic Gold Corp.

Opinion

We have audited the consolidated financial statements of Generic Gold Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows, and consolidated statements of changes in shareholders' (deficiency) equity for the year ended December 31, 2018 and the period from incorporation (May 30, 2017) to December 31, 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2018 and the period from incorporation (May 30, 2017) to December 31, 2017 in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,308,823 during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by $24,348. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 30, 2019

Generic Gold Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2018	As at December 31, 2017
ASSETS		
Current assets		
Cash	**$ 1,230**	$ 694,418
Amounts receivable and other assets (note 5)	**57,415**	92,923
Total assets	**$ 58,645**	$ 787,341
LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY		
Current liabilities		
Amounts payable and other liabilities (note 6)	**$ 82,993**	$ 98,359
Shareholders' (deficiency) equity		
Share capital (note 7)	**7,502,000**	6,623,456
Reserves (notes 8 and 9)	**1,573,776**	856,827
Deficit	**(9,100,124)**	(6,791,301)
Total shareholders' (deficiency) equity	**(24,348)**	688,982
Total liabilities and shareholders' (deficiency) equity	**$ 58,645**	$ 787,341

Nature of operations and going concern (note 1)
Contingencies (note 16)
Subsequent events (note 19)

Approved on behalf of the Board:

(Signed) "Kelly Malcolm", Director

(Signed) "Victor Cantore", Director

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

Generic Gold Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2018	From Incorporation (May 30, 2017) to December 31, 2017
Operating expenses		
Exploration and evaluation expenditures (notes 4 and 11)	**$ 564,308**	$ 1,342,955
General and administrative (notes 12 and 17)	**1,026,711**	275,346
Reverse takeover transaction costs (note 3)	**717,804**	-
Net loss before income taxes	**(2,308,823)**	(1,618,301)
Income tax recovery (note 18)	**-**	24,000
Net loss and comprehensive loss for the period	**$ (2,308,823)**	$ (1,594,301)
Loss per share - basic and diluted (note 10)	**$ (0.06)**	$ (0.06)
Weighted average number of common shares outstanding - basic and diluted (note 10)	**36,512,320**	28,930,965

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

Generic Gold Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2018	From Incorporation (May 30, 2017) to December 31, 2017
Operating activities		
Net loss for the period	**$ (2,308,823)**	$ (1,594,301)
Adjustments for:		
Income tax recovery	**-**	(24,000)
Share-based payments	**557,760**	-
Reverse takeover transaction costs	**717,804**	-
Non-cash working capital items:		
Amounts receivable and other assets	**35,508**	(92,923)
Amounts payable and other liabilities	**(55,407)**	98,359
Net cash flows from operating activities	**(1,053,158)**	(1,612,865)
Investing activity		
Cash acquired from Amalgamation	**5,841**	-
Net cash flows from investing activity	**5,841**	-
Financing activities		
Issue of common shares (note 7(b)(i)(ii))	**358,515**	2,358,639
Share issuance costs	**(4,386)**	(51,356)
Net cash flows from financing activities	**354,129**	2,307,283
Net change in cash	**(693,188)**	694,418
Cash, beginning of period	**694,418**	-
Cash, end of period	**$ 1,230**	$ 694,418
Supplemental information		
Common shares issued as commission	**$ 34,860**	$ 172,451
Broker warrants issued	**$ 11,760**	$ 85,407

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

Generic Gold Corp.
Consolidated Statement of Changes in Shareholders' (Deficiency) Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves			
	Number	Amount	Warrant reserve	Share-based payments reserve	Deficit	Total
Balance, May 30, 2017	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares to parent company for mineral property (note 4)	25,000,000	5,197,000	-	-	(5,197,000)	-
Issuance of units (note 7(b)(i))	7,542,131	1,566,435	696,204	-	-	2,262,639
Issuance of units - flow-through (note 7(b)(i))	240,000	73,846	22,154	-	-	96,000
Flow-through premium	-	(24,000)	-	-	-	(24,000)
Issuance of units as commission (note 7(b)(i))	574,837	119,389	53,062	-	-	172,451
Cost of issue - commission (note 7(b)(i))	-	(172,451)	-	-	-	(172,451)
Cost of issue - warrants (note 7(b)(i))	-	(85,407)	85,407	-	-	-
Cost of issue - cash	-	(51,356)	-	-	-	(51,356)
Net loss for the period	-	-	-	-	(1,594,301)	(1,594,301)
Balance, December 31, 2017	**33,356,968**	**6,623,456**	**856,827**	**-**	**(6,791,301)**	**688,982**
Issuance of common shares pursuant to Amalgamation (note 3)	3,001,520	623,416	-	-	-	623,416
Issuance of units - flow-through (note 7(b)(ii))	1,050,000	194,250	120,750	-	-	315,000
Issuance of units (note 7(b)(ii))	193,400	26,496	17,019	-	-	43,515
Issuance of units as commission (note 7(b)(ii))	84,000	25,200	9,660	-	-	34,860
Cost of issue - commission (note 7(b)(ii))	-	(34,860)	-	-	-	(34,860)
Cost of issue - warrants (note 7(b)(ii))	-	(11,760)	11,760	-	-	-
Cost of issue - cash	-	(4,386)	-	-	-	(4,386)
Shares issued pursuant to debt settlement	267,500	60,188	-	-	-	60,188
Share-based payments (note 9)	-	-	-	557,760	-	557,760
Net loss for the year	-	-	-	-	(2,308,823)	(2,308,823)
Balance, December 31, 2018	**37,953,388**	**$ 7,502,000**	**$ 1,016,016**	**$ 557,760**	**$ (9,100,124)**	**$ (24,348)**

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

1. Nature of operations and going concern

Generic Gold Corp. (the "Company" or "Generic Gold") was incorporated under the laws of the Province of Ontario on May 30, 2017 as Generic Gold Corporation ("Original Generic"). The Company's principal business activity is mineral exploration focused on high-grade gold opportunities in Yukon, Canada.

On February 20, 2018, Original Generic completed a transaction (the "Amalgamation") with Wamco Technology Group Ltd. ("Wamco"). The Amalgamation consisted of the acquisition by Wamco of all of the issued and outstanding securities in the capital of Original Generic by way of a three-cornered amalgamation, pursuant to which 2604935 Ontario Inc., a wholly-owned subsidiary of Wamco, amalgamated with Original Generic to form the resulting issuer, 1989670 Ontario Limited, a wholly-owned subsidiary of Wamco (note 3). On February 22, 2018, Wamco filed articles of amendment to change its name to “Generic Gold Corp.”.

On February 28, 2018, Generic Gold received final approval to list its common shares on the Canadian Securities Exchange ("CSE"). Generic Gold began trading on the CSE on March 1, 2018 under the symbol "GGC". The head office of the Company is located at 141 Adelaide Street West, Suite 1660, Toronto, Ontario, M5H 3L5.

Nevada Zinc Corporation ("Nevada Zinc") is the parent company of Generic Gold and owns approximately 66% of the Company's outstanding share capital as at December 31, 2018. (see note 19)

These consolidated financial statements of the Company were reviewed, approved and authorized for issue by the Board of Directors on April 30, 2019.

These consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at an exploration stage and as is common with many exploration companies, it raises financing to support its exploration and acquisition activities. The Company has incurred a current net loss of $2,308,823 for the year ended December 31, 2018 and has an accumulated deficit of $9,100,124 as at December 31, 2018. In addition, the Company had a working capital deficiency of $(24,348) as at December 31, 2018.

Existing funds may not be sufficient to explore potential exploration project acquisitions and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

Due to limited working capital, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects, if they are proven successful, and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. These 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 may be material.

2. Significant accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements unless otherwise noted below.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(n).

(c) Subsidiaries

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

	Jurisdiction	Nature of Operation	Equity Interest
1989670 Ontario Limited	Canada	Mineral exploration	100%

(d) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long lived assets that are not amortized are subject to an annual impairment assessment.

(e) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of exploration properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

2. Significant accounting policies (continued)

(f) Flow-through shares

Flow-through shares are a unique Canadian tax incentive. They are the subject of specific guidance under US GAAP, but there is no equivalent IFRS guidance. Therefore, the Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of deferred income tax liability upon renunciation of the flow-through expenditure is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss and comprehensive loss.

(g) Cash

Cash in the statement of financial position comprise cash on hand and at banks. The Company's cash is invested with major financial institutions in business accounts.

(h) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions at December 31, 2018 or 2017.

(i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

(j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided 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 following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

2. Significant accounting policies (continued)

(j) Income taxes (continued)

A deferred 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. The Company does not record deferred tax assets to the extent that the Company does not consider it probable that a deferred tax asset will be recovered.

(k) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an exploration property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company had no material restoration, rehabilitation and environmental costs as at December 31, 2018 or 2017 as the disturbance to date is minimal.

(l) Share-based payment transactions

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an 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, including directors of the Company.

The fair value of share-based payments to employees is measured at the grant date and recognized over the period during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. For those options that expire after vesting, the recorded value is transferred to deficit.

Expired warrants are also transferred to deficit.

(m) Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance had no impact on the Company's consolidated financial statements.

2. Significant accounting policies (continued)

(m) Financial Instruments (continued)

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash	Loans and receivables (amortized cost)	Amortized cost
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments is as follows:

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

- Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's cash and receivables are classified as financial assets and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

2. Significant accounting policies (continued)

(m) Financial Instruments (continued)

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment Model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(n) Significant accounting judgments and estimates

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Significant accounting policies (continued)

(n) Significant accounting judgments and estimates (continued)

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Income, value added, withholding and other taxes:
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(ii) Going concern:
The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 1.

(iii) Share-based payments:
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(iv) Decommissioning, restoration and similar liabilities:
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Recent accounting pronouncements

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is in the final stages of assessing the impact of IFRS 16 on the consolidated financial statements.

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Amalgamation

On February 20, 2018, the Company completed the Amalgamation with Wamco. The Amalgamation consisted of the acquisition by Wamco of all of the issued and outstanding securities in the capital of Original Generic by way of a three-cornered amalgamation, pursuant to which 2604935 Ontario Inc., a wholly-owned subsidiary of Wamco, amalgamated with Original Generic to form the resulting issuer. The name of the resulting issuer is 1989670 Ontario Limited, a wholly-owned subsidiary of Wamco. As part of the Amalgamation, Wamco changed its name to "Generic Gold Corp.".

Pursuant to the Amalgamation, Original Generic shares and warrants were exchanged on a one-for-one basis for the issuance of Generic Gold shares and warrants.

As a result of the Amalgamation, the shareholders of Original Generic owned 91.7% of the outstanding shares of the amalgamated entity. The substance of the transaction is a reverse acquisition of a non-operating company. The transaction does not constitute a business combination, as Wamco does not meet the definition of a business under IFRS 3, Business Combinations. As a result, the transaction is accounted for as a capital transaction with Original Generic being identified as the acquirer and the equity consideration accounted for in accordance with IFRS 2, Share-based Payment, measured at fair value.

The fair value of the consideration is as follows:

Fair value of 3,001,520 Generic Gold common shares	$	623,416

The consideration has been allocated as follows:

Cash	$	5,841
Accounts payable and accrued liabilities		(100,229)
Reverse takeover transaction cost		717,804
	$	623,416

The value of the Generic Gold common shares was based on the share price of the June 27, July 20 and September 22, 2017 private placements of $0.2077.

As Generic Gold has issued shares with a value in excess of the assets received, the difference is recognized in operations as a reverse takeover transaction cost. The amount of $717,804 recognized as a reverse takeover transaction cost is the difference between the fair value of the consideration paid and the net identifiable liabilities of Wamco assumed by Generic Gold, and is charged to operating expenses.

4. Mineral properties

On May 30, 2017, the Company received a 100% interest in a number of mineral claims located in the Yukon Territory from Nevada Zinc Corporation ("Nevada Zinc"). As consideration the Company issued 25,000,000 common shares to Nevada Zinc at an estimated fair value of $0.21 per share for aggregate share consideration of $5,197,000. As this is considered a transaction with the sole shareholder of the Company, this value was recorded in equity.

The Company's property interests include the VIP Property (located in the Whitehorse Mining District), and other properties located in various regions of the Yukon Territory, Canada. The Company is continuing the evaluation of the precious metals potential of properties such as VIP, Livingstone and Goodman.

(Expressed in Canadian Dollars, unless otherwise indicated)

4. Mineral properties (continued)

On May 1, 2013, Nevada Zinc entered into an amended option agreement ("Option Agreement") with Goldstrike Resources Ltd. (“Goldstrike”) for the Summit Property which is located in the Yukon Territory. Under the amended agreement, Goldstrike has the option to earn a 100% interest in the Summit Property by meeting the following payments: (i) issue 200,000 shares by May 31, 2013 (issued); (ii) issue 300,000 shares and pay $125,000 or issue shares in the equivalent amount, by October 31, 2015; (iii) issue 500,000 shares by October 31, 2016; and (iv) issue 600,000 shares and pay $250,000 or issue shares in the equivalent amount, and incur $1,000,000 in exploration expenditures by October 31, 2017. The Company would retain a 3.0% net smelter return ("NSR") and back-in option in which the Company could reacquire 30% of the property by paying Goldstrike $2,500,000.

On April 30, 2016, Nevada Zinc agreed to extend all payment obligations by one year under the Option Agreement with Goldstrike for nil consideration.

On October 31, 2016, Nevada Zinc agreed to extend all payment obligations by an additional year under the Option Agreement with Goldstrike for nil consideration. Nevada Zinc reserved the right to shorten the extension period at any time by providing 30 day notice to Goldstrike.

Under the extended Option Agreement, Goldstrike has the option to earn a 100% interest in the Summit Property by meeting the following payments: (i) issue 200,000 shares by May 31, 2013 (issued); (ii) issue 300,000 shares and pay $125,000 or issue shares in the equivalent amount, by October 31, 2017; (iii) issue 500,000 shares by October 31, 2018; and (iv) issue 600,000 shares and pay $250,000 or issue shares in the equivalent amount, and incur $1,000,000 in exploration expenditures by October 31, 2019. The Company would retain a 3.0% NSR and back-in option in which the Company could reacquire 30% of the property by paying Goldstrike $2,500,000.

On April 10, 2018, Goldstrike abandoned and surrendered the Option Agreement in respect of all mineral claims of the Summit Property and the claims reverted to the Company.

5. Amounts receivable and other assets

	As at December 31, 2018	As at December 31, 2017
Sales tax receivable - (Canada)	$ 52,995	$ 88,160
Prepaid expenses	4,420	4,763
	$ 57,415	$ 92,923

6. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and acquisition costs and general operating activities.

	As at December 31, 2018	As at December 31, 2017
Trade payables	$ 60,438	$ 78,359
Accrued liabilities	22,555	20,000
	$ 82,993	$ 98,359

7. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

(i) On June 27, July 20 and September 22, 2017, the Company completed the first, second and third tranches, respectively, of a private placement financing of 7,542,131 units at a price of $0.30 per unit and 240,000 flow-through units at price of $0.40 per flow-through unit for a gross proceeds of $2,358,639. Each unit consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one flow-through common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.50 per common share for a period of 36 months following the closing date. Upon 30 days' written notice to the holders of the warrants, the Company may accelerate the expiration date of the warrants if after the common shares have been listed on a recognized Canadian stock exchange, the closing price of the common shares exceeds $1.00 for twenty (20) consecutive trading days.

In connection with the private placement, a finder's fee was paid to certain eligible finders in an amount equal to 8% of proceeds raised. The finder's fee was comprised of a cash payment of $15,520 and issuance of 574,837 commission units of the Company, at a fair value of $0.30 per commission unit. Each commission unit consists of one common share of the Company and one warrant.

The fair value of the 8,356,968 warrants was estimated at $771,420 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 1.04%; expected volatility - 100% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 36 months.

In addition, an aggregate of 620,171 broker warrants were issued representing an amount equal to 8% of the number of common shares placed by eligible finders pursuant to the private placement. Each broker warrant entitles the holder to acquire one unit of the Company at an exercise price of $0.30 per unit commencing on the date of listing of the common shares of the Company on a recognized Canadian stock exchange and ending 24 months after the date of listing. The fair value of the 620,171 broker warrants was estimated at $85,407 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.96%; expected volatility - 85% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 24 months.

(ii) On July 23 and September 21, 2018, the Company completed the first and second tranches of a private placement financing of 1,050,000 flow-through units at a price of $0.30 per flow-through unit and 193,400 units at price of $0.225 per unit for a gross proceeds of $358,515. Each flow-through unit consists of one flow-through common share of the Company and one common share purchase warrant. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.50 per common share for a period of 36 months following the closing date.

In connection with the private placement, a finder's fee was paid to certain eligible finders in an amount equal to 8% of proceeds raised. The finder's fee was comprised of the issuance of 84,000 commission units of the Company, at a fair value of $0.30 per commission unit. Each commission unit consists of one common share of the Company and one warrant.

(Expressed in Canadian Dollars, unless otherwise indicated)

7. Share capital (continued)

The fair value of the 1,327,400 warrants was estimated at $147,429 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - ranging from 2.03% to 2.21%; expected volatility - 100% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 36 months.

In addition, an aggregate of 84,000 broker warrants were issued representing an amount equal to 8% of the number of common shares placed by eligible finders pursuant to the private placement. Each broker warrant entitles the holder to acquire one unit of the Company at an exercise price of $0.30 per unit for a period of 36 months from the date of issuance. The fair value of the 84,000 broker warrants was estimated at $11,760 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 2.03%; expected volatility - 100% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 36 months.

(iii) On October 17, 2018, the Company entered into a debt settlement agreement with an arm's length creditor pursuant to which the Company has agreed to settle an aggregate of $60,188 of indebtedness through the issuance of an aggregate of 267,500 common shares of the Company at a price of $0.225 per common share. The common shares issued pursuant to the debt settlement will be subject to a four month and one day hold period pursuant to applicable securities laws.

8. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price ($)
Balance, May 30, 2017	**-**	**-**
Issued (note 7(b)(i))	8,977,139	0.49
Balance, December 31, 2017	**8,977,139**	**0.49**
Issued (note 7(b)(ii))	1,411,400	0.49
Balance, December 31, 2018	**10,388,539**	**0.49**

The following table reflects the warrants issued and outstanding as of December 31, 2018:

Issue date	Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
June 27, 2017	176,400	24,167	0.30	March 1, 2020(1)
July 20, 2017	155,507	21,460	0.30	March 1, 2020 (1)
September 22, 2017	288,264	39,780	0.30	March 1, 2020 (1)
June 27, 2017	3,096,300	285,815	0.50	June 27, 2020
July 20, 2017	2,817,473	260,077	0.50	July 20, 2020
September 22, 2017	2,443,195	225,528	0.50	September 22, 2020
July 23, 2018	1,134,000	130,410	0.50	July 23, 2021
July 23, 2018	84,000	11,760	0.30	July 23, 2021
September 18, 2018	193,400	17,019	0.50	September 21, 2021
	10,388,539	**1,016,016**	**0.49**	

(1) Each broker warrant entitles the holder to acquire one unit of the Company at an exercise price of $0.30 per unit commencing March 1, 2018, the date of listing of the common shares of the Company on a recognized Canadian stock exchange, and ending 24 months after the date of listing.

(Expressed in Canadian Dollars, unless otherwise indicated)

9. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, May 31, 2017 and December 31, 2017	-	$ -
Granted (i)(ii)	3,765,000	0.29
Balance, December 31, 2018	**3,765,000**	**$ 0.29**

(i) On February 20, 2018, the Company granted a total of 3,225,000 stock options to certain directors, officers and consultants of the Company. The stock options are exercisable at a price of $0.30 per share, expire on February 20, 2023 and vested immediately. The fair value of the stock options was estimated to be $477,300 using the Black-Scholes option pricing model on the following assumptions: exercise price of $0.30, risk free interest rate of 2.12%, an expected life of 5 years and an expected volatility of 100%. During the year ended December 31, 2018, share based compensation of $477,300, were recorded in the consolidated statements of loss and comprehensive loss.

(ii) On October 17, 2018, the Company granted a total of 540,000 stock options to certain directors, officers and consultants of the Company. The stock options are exercisable at a price of $0.25 per share, expire on October 17, 2021 and vested immediately. The fair value of the stock options was estimated to be $80,460 using the Black-Scholes option pricing model on the following assumptions: exercise price of $0.25, risk free interest rate of 2.32%, an expected life of 3 years and an expected volatility of 100%. During the year ended December 31, 2018, share based compensation of $80,460, were recorded in the consolidated statements of loss and comprehensive loss.

The following table reflects the Company's stock options outstanding and exercisable as at December 31, 2018:

Options outstanding and exercisable	Grant date fair value ($)	Exercise price ($)	Weighted average remaining contractual life (years)	Expiry date
2,225,000	329,300	0.30	4.14	February 20, 2023
360,000	53,640	0.25	2.80	October 17, 2021
1,000,000	148,000	0.30	0.43	June 6, 2019
180,000	26,820	0.25	0.43	June 6, 2019
3,765,000	**557,760**	**0.29**	**2.85**	

10. Net loss per common share

The calculation of basic loss per share for the year ended December 31, 2018 was based on the loss attributable to common shareholders of $2,308,823 (2017 - $1,594,301) and the weighted average number of common shares outstanding of 36,512,320 (2017 - 28,930,965). Diluted loss per share for the periods ended December 31, 2018 and 2017 did not include the effect of 10,388,539 and 3,765,000 warrants and options, respectively as they are anti-dilutive.

(Expressed in Canadian Dollars, unless otherwise indicated)

11. Exploration and evaluation expenditures

	Year Ended December 31, 2018	From Incorporation (May 30, 2017) to December 31, 2017
Yukon, Canada		
Drilling	**$ 481,541**	$ 350,898
Geological consulting	**43,894**	122,585
Camp construction	**4,625**	534,767
Reports	**-**	37,741
Transportation	**17,557**	87,595
Claim staking	**11,717**	16,370
Equipment and equipment rental	**-**	23,990
Geophysics	**10,000**	-
Exploration (recovery)	**(40,000)**	-
Accommodation	**-**	39,714
Field costs	**-**	33,465
Laboratory and analysis	**31,759**	95,830
Miscellaneous	**3,215**	-
Exploration and evaluation expenditures	**$ 564,308**	$ 1,342,955

12. General and administrative expenses

	Year Ended December 31, 2018	From Incorporation (May 30, 2017) to December 31, 2017
Salaries and benefits	**$ 199,591**	$ 102,252
Professional fees	**79,165**	80,679
Office and administrative expenses	**32,495**	27,628
Accounting fees	**25,494**	50,531
Transfer agent fees	**40,453**	14,256
Share-based payments	**557,760**	-
Investor relations	**91,753**	-
	$ 1,026,711	$ 275,346

13. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, warrant reserve and deficit, which at December 31, 2018, totaled a deficiency of $(24,348).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to the Company's mineral properties. Selected information is provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2018 and 2017.

14. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were credit risk, liquidity risk or market risk for the periods ended December 31, 2018 and 2017.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2018, the Company had cash of $1,230 to settle current liabilities of $82,993. All of the Company's financial liabilities as at December 31, 2018 are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

14. Financial risk management (continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Foreign currency risk is the risk that future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As at December 31, 2018, the Company was not a precious minerals, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of warrants.

15. 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 statements of loss and comprehensive loss for the periods also represent segmented amounts. All of the Company’s operations, assets and liabilities are in Canada.

16. Contingencies

(a) The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

(b) The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to $240,000 be made upon the occurance of certain events such as change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

(Expressed in Canadian Dollars, unless otherwise indicated)

16. Contingencies (continued)

(c) The Company is obligated to spend $315,000 by December 31, 2019. As at December 31, 2018, the Company had spent all funding as part of the flow-through funding agreement for shares issued in July and September 2018. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

17. Related party transactions and major shareholders

Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	Year Ended December 31, 2018	From Incorporation (May 30, 2017) to December 31, 2017
Salaries [1]	**$ 192,000**	$ 96,000
Share-based payments	**518,450**	-
	$ 710,450	$ 96,000

[1] Salaries paid for the services of the Chief Executive Officer and Chief Financial Officer included in general and administrative expenses on the statement of loss and comprehensive loss.

[2] Included in accounts payable and accrued liabilities are fees owing to officers and directors of $15,215 as at December 31, 2018.

Major shareholders

To the knowledge of the directors and senior officers of the Company as at December 31, 2018, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Nevada Zinc Corporation	25,000,000	65.87 %

See note 19.

(Expressed in Canadian Dollars, unless otherwise indicated)

18. Income taxes

(a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% were as follows:

	Year Ended December 31, 2018	From Incorporation (May 30, 2017) to December 31, 2017
Loss before income taxes	**$ (2,308,823)**	$ (1,594,301)
Expected income tax recovery based on statutory rate	**(612,000)**	(422,000)
Adjustment to expected income tax benefit:		
Flow-through renunciation	**83,475**	25,440
Share issue cost	**(14,000)**	(59,000)
Expenses not deductible for tax purposes	**(55,000)**	-
Stock-based compensation	**148,000**	-
Change in unrecorded deferred tax asset	**191,525**	-
Change in benefit of tax assets not recognized	**258,000**	431,560
Deferred income tax provision (recovery)	**$ -**	$ (24,000)

(b) Deferred income tax

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

	As at December 31, 2018	As at December 31, 2017
Unrecognized deductible temporary differences		
Non-capital loss carry-forwards	**$ 775,000**	$ 12,000
Share issue costs	**175,000**	47,000
Mineral property costs	**1,592,000**	397,000
Deferred income tax liability	**$ 2,542,000**	$ 456,000

As at December 31, 2018, the Company had $775,000 (2017 - $12,000) of non-capital income tax losses in Canada. The losses expire as follows:

Expiry	
2037	$ 251,000
2038	524,000
	775,000

19. Subsequent events

(i) On March 8, 2019, Generic Capital Corporation ("Generic Capital") acquired (the "Acquisition") 25,000,000 common shares of Generic Gold Corp. pursuant to a share purchase agreement dated March 8, 2019 between Generic Capital and Nevada Zinc.

Prior to the Acquisition, Generic Capital owned 1,646,033 common shares, 1,515,893 common share purchase warrants and 197,560 broker warrants to acquire units, representing approximately 4.33% of the issued and outstanding common shares on a non-diluted basis and approximately 8.92% of the issued and outstanding common shares on a partially diluted basis. Following the Acquisition, Generic Capital owns 26,646,033 common shares, representing approximately 70.2% of the issued and outstanding common shares on a non-diluted basis and approximately 71.64% of the issued and outstanding common shares on a partially diluted basis.

(ii) Generic Gold has entered into an option and right of first refusal agreement with Nevada Zinc, dated March 14, 2019, whereby Nevada Zinc may purchase the shares of the company affiliated to Generic Gold that holds Generic Gold's Yukon properties (the "Yukon Subsidiary") up until March 14, 2020 by paying $200,000. The purchase price may be paid in either cash or shares of Nevada Zinc at the discretion of the Company. In addition, Nevada Zinc has a right of first refusal expiring March 14, 2021 with regard to the sale of the Yukon properties owned by Generic Gold or its affiliates.

(iii) On March 25, 2019, DNA Genetics Inc. ("DNA"), a globally recognized leading cannabis brand, and Generic Gold announced that they have entered into a letter of intent (the "Letter Agreement") pursuant to which, among other things, DNA proposes to complete a reverse take-over of Generic Gold (the "Proposed Transaction") and the securityholders of DNA will hold substantially all of the outstanding securities of Generic Gold following the Proposed Transaction (the "Resulting Issuer").

It is anticipated that the Proposed Transaction will be structured as a three-cornered amalgamation that will result in Generic Gold acquiring all of the issued and outstanding securities of DNA. The final structure for the Proposed Transaction is subject to satisfactory tax, corporate and securities law advice for both Generic Gold and DNA.

The Proposed Transaction is subject to the conditions set out in the Letter Agreement, including obtaining the requisite approval of DNA's and Generic Gold's securityholders.