SBD CAPITAL CORP.
(FORMERLY WHITE PINE RESOURCES INC.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2017 AND 2016

SBD CAPITAL CORP.

(FORMERLY WHITE PINE RESOURCES INC.)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING DECEMBER 31, 2017

The accompanying condensed unaudited interim financial statements of SBD Capital Corp. (formerly White Pine Resources Inc., the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the condensed interim consolidated financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2017 AND March 31, 2017
(Unaudited - in Canadian dollars)

ASSETS	Note		December 31, 2017		March 31, 2017
Current					
Cash and cash equivalents		**$**	**131,484**	$	9,841
Accounts receivable			**462**		-
GST/HST receivable			**21,222**		19,757
Inventory	5		**46,795**		-
Prepaid expenses			**8,921**		-
			208,883		29,598
Intangible asset			**19,113**		-
Mineral interests	7		**-**		1
Goodwill	6		**7,810**		-
		$	**235,806**	$	29,599
LIABILITIES					
Current					
Accounts payable and accrued liabilities		**$**	**146,571**	$	198,849
Loans payable			**17,972**		28,900
			164,543		227,749
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Capital stock	8(a)		**34,942,949**		34,738,846
Issuable capital stock	8(a)(vi)		**27,500**		1,900
Contributed surplus			**10,200,621**		9,954,845
Deficit			**(45,099,807)**		(44,893,741)
			71,263		(198,150)
		$	**235,806**	$	29,599

NATURE OF OPERATIONS AND GOING CONCERN, (Note 1)

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

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTH PERIODS ENDED DECEMBER 31, 2017 and 2016
(Unaudited - in Canadian dollars)

		Three months		Nine Months	
	Note	**2017**	**2016**	**2017**	**2016**
Revenue					
Sales of product		**$ 12,287**	$ -	**$ 30,793**	$ -
Direct costs					
AGLC liquor tax		**(4,626)**	-	**(12,869)**	-
Cost of goods sold		**(2,645)**	-	**(7,171)**	-
Shipping, freight and delivery		**(992)**	-	**(1,476)**	-
Total direct costs		**(8,263)**	**-**	**(21,516)**	**-**
Gross margin		**4,024**	**-**	**9,277**	**-**
Expenses					
Management fees	9	**7,500**	-	**42,000**	$ -
Consulting fees		**247**	-	**20,847**	100,000
Professional fees		**75,993**	-	**92,228**	41,383
Office, general and administrative		**3,986**	-	**16,930**	77
Amortization		**-**	197	**-**	591
Transfer agent fees		**6,091**	15,616	**42,377**	19,554
Interest and bank charges		**392**	75	**959**	316
Total expenses		**94,209**	15,888	**215,341**	161,921
Net loss before assignment of asset		**(90,186)**	(15,888)	**(206,065)**	(161,921)
Assignment of asset	7	-	-	**(1)**	-
Net loss and comprehensive loss for the period		**$ (90,186)**	$(15,888)	**$ (206,066)**	$(161,921)
Loss per share					
Basic and fully diluted	12	**$ (0.00)**	$ (0.02)	**$ (0.02)**	$ (0.24)
Weighted average number of common shares outstanding, basic and diluted		**23,673,415**	678,971	**12,315,082**	678,971

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

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) FOR THE THREE AND NINE MONTH PERIODS ENDED DECEMBER 31, 2017 and 2016

(Unaudited - in Canadian dollars)

Capital Stock				Issuable Capital stock				
	Note	Number of shares	Amount	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance at March 31, 2016		678,971	$34,738,846	-	$ -	$9,954,845	$ (44,686,646)	$7,045
Issuable shares		-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	-	(161,921)	(161,921)
Balance at December 31, 2016		678,971	$34,738,846	-	$ -	$9,954,845	$ (44,848,567)	$ (154,876)
Issuable shares		-	-	95,000	1,900	-	-	1,900
Net loss for the period		-	-	-	-	-	(45,174)	(45,174)
Balance at March 31, 2017		678,971	$34,738,846	95,000	$1,900	$9,954,845	$ (44,893,741)	$ (198,150)
Shares issued for cash	8(a)(iii),(iv)	14,000,000	280,000	(95,000)	(1,900)	-	-	278,100
Shares issued for acquisition of Secret Barrel	8(a)(v), 6	2,000,000	40,000	-	-	-	-	40,000
Shares issued for debt settlement	8(a)(i),(ii)	6,550,000	131,000	-	-	-	-	131,000
Issuable shares	8(a)(vi)	-	-	1,375,000	27,500	-	-	27,500
Fair value on warrants	8(c)	-	(245,776)	-	-	245,776	-	-
Share issue costs		-	(1,121)	-	-	-	-	(1,121)
Net loss for the period		-	-	-	-	-	(206,066)	(206,066)
Balance at December 31, 2017		23,228,971	$34,942,949	1,375,000	$ 27,500	$10,200,621	$ (45,099,807)	$ 71,263

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

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTH PERIODS ENDED DECEMBER 31, 2017 and 2016
(Unaudited - in Canadian dollars)

	Nine Months	
	2017	2016
Cash flows from operating activities		
Net loss for the period	**(206,066)**	(161,921)
Adjustments not effecting cash:		
Amortization	**-**	591
Assignment	**1**	-
Shares issued for acquisition of Secret Barrel	**40,000**	-
Goodwill on acquisition of Secret Barrel	**(7,810)**	-
Changes in operating activities:		
Accounts receivable	**(462)**	(14,991)
GST/HST receivable	**(8,921)**	-
Prepaid expense	**(1,465)**	-
Inventory	**(46,795)**	-
Accounts payable and accrued liabilities	**78,721**	156,518
Cash flows used in operating activities	**(152,796)**	(19,803)
Cash flows from investing activities		
Investment in product development	**(19,113)**	-
Cash flow used in nvesting activities	**(19,113)**	**-**
Cash flows from financing activities		
Issuance of common shares, net of issuance costs	**278,879**	-
Issuable shares	**25,600**	-
Loan payable	**(10,928)**	15,000
Cash flows provided by financing activities	**293,551**	15,000
Net increase (decrease) in cash and cash equivalents	**121,643**	(4,803)
Cash and cash equivalents, beginning of period	**9,841**	12,924
Cash and cash equivalents, end of period	**131,484**	8,121

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

1. NATURE OF OPERATIONS AND GOING CONCERN

SBD Capital Corp. (formerly White Pine Resources Inc., "the Company") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979. The Company was engaged in acquiring controlling interests in industrial companies in the manufacturing and distribution business. The Company's registered office is located at Suite 520, 65 Queen Street West, Toronto, Ontario, M5H 2M5.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from December 31, 2017. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows of $152,796 (December 31, 2016 - $19,803) for the nine months ended December 31, 2017 and has a working capital surplus of $44,340 at December 31, 2017 (March 31, 2017 - working capital deficit of $198,151). The Company will continue to search for new or alternate sources of financing in order to continue development of its products but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed interim consolidated statement of financial position.

On July 25, 2017, the Company entered into a share exchange agreement with Secret Barrel Distillery ("Secret Barrel") pursuant to which the Company has acquired from the Secret Barrel shareholders all of the issued and outstanding shares of Secret Barrel in exchange for 2,000,000 common shares in the capital of the Company and a working capital advance to Secret Barrel of $175,000 (the "Acquisition"). Secret Barrel is a private company incorporated pursuant to the laws of Alberta. Upon completion of the Acquisition, Secret Barrel became a wholly owned subsidiary of the Company, see Note 6.

2. BASIS OF PRESENTATION

Statement of Compliance

The condensed interim unaudited consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements.

The policies applied in these condensed interim unaudited consolidated financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual financial statements for the year ended March 31, 2017.

The condensed interim unaudited consolidated financial statements were authorized for issue by the Board of Directors on March 1, 2018.

Principles of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Secret Barrel. All significant intercompany balances and transactions have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognized, net of trade discounts and allowances, when a price is agreed upon, goods are shipped to customers, all significant contractual obligations have been satisfied, and collectability is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in income. An acquisition is recorded on the date on which the Company obtains control of the acquired subsidiary or business. Acquisition related costs associated with business combinations are expensed as incurred.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is reviewed for impairment at least annually. An impairment loss in respect of goodwill is not reversed in a subsequent period.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following has not yet been adopted and is being evaluated to determine the impact on the Company.

(i) IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(ii) IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15

(Unaudited - in Canadian dollars)

"Revenue from Contracts with Customers" which replaces IAS 18 "Revenue," IAS 11 "Construction Contracts," and related interpretations. The standard is required to be adopted for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 15 will be applied by the Corporation on January 1, 2018 and the Company is currently evaluating the impact of the standard on its financial statements.

(iii) IFRS 16 Leases - In January 2016, the IASB issued IFRS 16 "Leases", which replaces IAS 17 "Leases". For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Business Combinations

In a business combination, management makes estimates of the fair value of the assets acquired and liabilities assumed.

5. INVENTORY

The major components of inventory are classified as follows:

	December 31, 2017	March 31, 2017
Finished goods	44,627	-
Promotional items	2,168	-
Total	46,795	-

6. ACQUISITIONS

On July 25, 2017, the Company acquired all of the issued and outstanding shares of Secret Barrel. The acquired business was purchased for $40,000, paid by the issuance of 2,000,000 common shares $0.02 per share. The transaction was accounted for as business combination under IFRS 3 - "Business Combinations" as the transaction met the definition of a business acquisition.

The following table summarizes the transaction and the purchase price allocation:

Consideration paid	$	40,000
Net assets acquired, at estimated fair value		-
Cash	$	12,263
Net working capital items		(19,792)
Inventory		39,719
Goodwill		7,810
Consideration received	$	40,000

At the time the condensed interim consolidated financial statements were authorized for issue, the Company had not yet completed the accounting for the above acquisition. In particular, the purchase allocations of the fair values of the assets acquired and consideration paid disclosed have only been determined provisionally as the valuations have not been finalized.

(Unaudited - in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

The Company held an option agreement to earn up to 70% in a property. However, the Company had decided to let those claims lapse in 2012 as it was their decision not to further pursue the property and as a result, all costs associated with the property were written off to operations in fiscal 2012.

Property	Balance March 31, 2016 and 2017	Option & acquisition costs	Exploration	Disposition (Assignment)	Balance December 31, 2017
Lowland	$ 1	$ -	$ -	$ (1)	$ -

During the previous quarter, the Company assigned its interest in the Lowland property to a non-related party for $nil proceeds. .

8. CAPITAL STOCK

(a) Common shares

Authorized capital - Unlimited number of common shares

- Unlimited number of special shares
- 500,000 preference shares

	Number of shares		Amount
Balance, March 31, 2017 and 2016	678,971	$	34,738,846
Shares issued for debt settlement (i), (ii)	6,550,000		131,000
Shares issued for cash (iii), (iv)	14,000,000		280,000
Shares issued for acquisition of Secret Barrel (v)	2,000,000		40,000
Fair value on warrants Note 8(c)	-		(245,776)
Share issuance costs (iv)	-		(1,121)
Balance, December 31, 2017	23,228,971	**$**	**34,942,949**

On January 25, 2017, the Company executed the consolidation of the outstanding common shares on the basis of 50 existing common shares for one new common share. This resulted in a reduction of outstanding shares from 33,966,533 to 678,971. The 50 to 1 consolidation affected all of the Company's outstanding common shares as at the effective date; as a result, the prior year presentation in the financial statements has been restated.

(i) In July 2017, the Company settled an aggregate of $8,000 of indebtedness through the issuance of 400,000 shares at a price of $0.02 per share.

(ii) In August 2017, the Company settled an aggregate of $123,000 of indebtedness through the issuance of an aggregate of 6,150,000 units of the Company. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 per a common share for a period of 36 months from the date of issuance.

(iii) In August 2017, the Company completed a non-brokered private placement through the issuance of 150,000 common shares at a price of $0.02 per common share for gross proceeds of $3,000.

(Unaudited - in Canadian dollars)

(iv) In August 2017, the Company completed a non-brokered private placement through the issuance of 13,850,000 units at a price of $0.02 per unit for aggregate gross proceeds of $277,000. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 per a common share for a period of 36 months from the date of issuance. In connection with this financing, the Company paid cash commissions of $1,121

(v) In August 2017, the Company issued 2,000,000 common shares at a price of $0.02 per common share for the acquisition of Secret Barrel (see Note 6).

(vi) Issuable shares are for $27,500 of funds for 1.375,000 shares, but the shares have not been issued.

(b) Stock option plan and share-based compensation

The Company has a stock option plan (the "Plan") under which it is authorized to grant stock options to acquire common shares to Directors, officers, employees and consultants. The aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The current number of common shares reserved for issuance upon the exercise of options granted pursuant to the Plan is 2,322,897. The number of common shares which may be reserved for issue to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors.

The following table summarizes information concerning the Company's stock options outstanding as at December 31, 2017:

	Number of Options	Weighted Average Exercise Price
Outstanding as at March 31, 2016	16,300	$ 31.00
Expired	(16,300)	31.00
Outstanding as at March 31, 2017 and December 31, 2017	-	$ -

The Company has no outstanding stock options at December 31, 2017.

(c) Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the period ended December 31, 2017:

	Number of Warrants	Black-Scholes Value	Weighted Average Exercise Price
Balance, beginning	-	$ -	$ -
Issued (Note 7(a)(ii), (iv)	20,000,000	245,776	0.10
Balance, December 31, 2017	20,000,000	$ 245,776	$ 0.10

The fair value of warrants issued in the period ended December 31, 2017 of $245,776 (December 31, 2016 - $Nil) has been estimated using the Black-Scholes pricing model and this value has been disclosed as a separate component of shareholders' equity. The fair value of the warrants was estimated based on expected volatility of 149% and a risk-free rate of 1.27%.

(Unaudited - in Canadian dollars)

At December 31, 2017, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants	Exercise Price		Fair Value		Expiry date
20,000,000	$	0.10	$	245,776	August 16, 2020
20,000,000			$	245,776	

9. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

As at December 31, 2017, loans payable consist of $12,972 (March 31, 2017 - $12,900) to companies controlled by officers and directors of the Company. The loans are non-interest bearing and have no specific terms of repayment.

As at December 31, 2017, the Company owes the former president of the Company for compensation $Nil (March 31, 2017 - $40,000) included in accounts payable. Also in accounts payable is $NIL (March 31, 2017 - $18,080) to companies controlled by officers and directors of the Company.

10. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, loans and advances, accounts payable and accrued liabilities, and loans payable. The fair value of the Company's accounts receivables, loans and advances, accounts payable and accrued liabilities, and loans payable approximate their carrying value, due to their short-term maturities or ability of prompt liquidation. The Company's cash and cash equivalents are recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

a) Interest Rate Risk

The Company has cash balances, and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of December 31, 2017, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

As at December 31, 2017, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As at December 31, 2017, the Company held cash of $131,484 (March 31, 2017 - $9,841) to settle current liabilities of $164,543 (March 31, 2017 - $227,749). All of the Company's non-provision liabilities are due within the next fiscal year.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with a Canadian chartered bank.

11. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its capital stock. As at September 30, 2017 the Company's capital stock was $34,942,949 (March 31, 2017 - $34,738,846).

There were no changes in the Company's approach to capital management during the period ended September 30, 2017 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company's capital structure includes components of shareholders' equity.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

12. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the condensed interim consolidated statements of loss and comprehensive loss by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the period ended December 31, 2017, this would be anti-dilutive.