RESINCO
CAPITAL PARTNERS

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

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To the Shareholders of
Resinco Capital Partners Inc.

We have audited the accompanying financial statements of Resinco Capital Partners Inc., which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, and the statements of (loss) and comprehensive (loss), changes in equity and cash flows for the years ended December 31, 2017 and December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Resinco Capital Partners Inc. as at December 31, 2017 and December 31, 2016, and the results of its operations and its cash flows for the years ended December 31, 2017 and December 31, 2016, in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Vancouver, Canada
April 24, 2018

Chartered Professional Accountants

RESINCO CAPITAL PARTNERS INC.
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31
(EXPRESSED IN CANADIAN DOLLARS)

	Note		**2017**		**2016**
ASSETS					
Cash	*4*	$	3,357,218	$	23,189
Interest receivable			1,500		-
Share subscriptions receivable	*6*		4,176,144		-
Prepaid expenses			403,000		3,000
Investments at fair value	*5*		912,748		801,936
		$	8,850,610	$	828,125
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Trade and other payables	*7*	$	647,146	$	25,242
Due to related parties	*7*		-		95,250
			647,146		120,492
Shareholders' equity					
Share capital	*6*		40,436,949		40,132,099
Share-based reserve	*6*		16,003,610		8,752,136
Deficit			(48,237,095)		(48,176,602)
			8,203,464		707,633
		$	8,850,610	$	828,125

Nature of operations	*1*
Subsequent events	*12*

These financial statements were approved for issue by the Board of Directors of the Company on April 24, 2018.

They are signed on the Company's behalf by:

"Hein Poulus" Director *"Ronald Shorr"* Director

- See accompanying notes to the financial statements -

RESINCO CAPITAL PARTNERS INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31
(EXPRESSED IN CANADIAN DOLLARS)

	Note		**2017**		**2016**
REVENUES					
Net realized loss on disposal of investments	*5*	$	(788,257)	$	(1,017,416)
Net change in unrealized gain on investments			1,016,475		956,562
			228,218		(60,854)
Other income			1,500		30
			229,718		(60,824)
EXPENSES					
Consulting fees	*7*		75,600		75,600
Insurance			12,000		12,000
Office and miscellaneous			4,213		9,155
Professional fees			25,673		27,695
Regulatory and transfer agent fees			31,895		22,927
Share-based compensation	*6, 7*		139,152		-
Transaction costs			1,678		2,322
			(290,211)		(149,699)
Net loss and comprehensive loss for the year		$	(60,493)	$	(210,523)
Basic and diluted loss per share		$	(0.01)	$	(0.03)
Weighted average number of common shares outstanding:					
Basic			8,686,149		6,150,997
Diluted			8,866,596		6,150,997

- See accompanying notes to the financial statements -

RESINCO CAPITAL PARTNERS INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(EXPRESSED IN CANADIAN DOLLARS)

	2017	2016
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the year	$ (60,493)	$ (210,523)
Items not affecting cash:		
Net realized loss on disposal of investments	788,257	1,017,416
Net change in unrealized gain on investments	(1,016,475)	(956,562)
Share-based compensation	139,152	-
Changes in non-cash working capital items:		
Receivables	(1,500)	-
Prepaid expenses	(400,000)	6,664
Trade and other payables	621,904	(13,137)
Due to related parties	(95,250)	-
	(24,405)	(156,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of investments	117,406	155,492
	117,406	155,492
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	4,022,857	-
Share issue costs	(781,829)	-
	3,241,028	-
Increase (decrease) in cash during the year	3,334,029	(650)
Cash, beginning of year	23,189	23,839
Cash, end of year	$ 3,357,218	$ 23,189
Supplementary information		
Interest paid	$ -	$ -
Income taxes paid	-	-
Share subscriptions receivable	4,176,144	-

RESINCO CAPITAL PARTNERS INC.
STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Number of shares	Share capital	Share-based reserve	Deficit	Total Shareholders' equity
Balance, December 31, 2015	6,150,997	$ 40,132,099	$ 8,752,136	$ (47,966,079)	$ 918,156
Net loss and comprehensive loss for the year	-	-	-	(210,523)	(210,523)
Balance, December 31, 2016	6,150,997	$ 40,132,099	$ 8,752,136	$ (48,176,602)	$ 707,633
Private placements	39,990,010	4,509,236	3,689,765	-	8,199,001
Share issue costs - cash	-	(781,829)	-	-	(781,829)
Share issue costs - finders' warrants	-	(3,422,557)	3,422,557	-	-
Share-based compensation	-	-	139,152	-	139,152
Net income and comprehensive income for the year	-	-	-	(60,493)	(60,493)
Balance, December 31, 2017	46,141,007	$ 40,436,949	$ 16,003,610	$ (48,237,095)	$ 8,203,464

- See accompanying notes to the financial statements -

1. NATURE OF OPERATIONS

Resinco Capital Partners Inc. ("Resinco" or the "Company") was incorporated under the laws of British Columbia on May 25, 2004. The Company's shares are listed for trading on the TSX Venture Exchange under the ticker symbol "RIN". The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Resinco is a global investment company which specializes in providing early-stage financing to private and public exploration and mining companies in the hard rock minerals, precious metals, rare-earth minerals, oil, gas, water and renewable energy markets.

On October 20, 2017, the Company completed a share consolidation of its share capital on the basis of twenty (20) existing common shares for one (1) new common share. As a result of the share consolidation, the 123,019,885 common shares issued and outstanding were consolidated to 6,150,997 common shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation (Note 6).

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

Basis of presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

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

Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates are estimates, judgments and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

2. BASIS OF PRESENTATION (continued)

Fair value of private company investments – Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

Fair value of financial derivatives – Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants are valued at intrinsic value.

Share-based payments – The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets – Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

Investments

All investments are classified upon initial recognition at fair value through profit or loss, with changes in fair value reported in profit (loss).

Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income (loss). Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IAS 39, Financial Instruments: Recognition and Measurement.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the statement of comprehensive income (loss) within net change in unrealized gains or losses on investments on investments in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (Note 9).

1. Public investments

a. Securities, including shares, options, and warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing bid prices at the statement of financial position dates or the closing bid price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 in Note 9.

b. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Company considers the nature and length of the restriction. These are included in Level 2 in Note 9.

c. For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available or reliable, the options and warrants are valued at intrinsic value, which is equal to the higher of the closing bid price at the statement of financial position date of the underlying security less the exercise price of the option or warrant, and zero. These are included in Level 2 in Note 9.

2. Private investments

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 9.

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

2. Private investments (continued)

The fair value of a privately-held investment may be adjusted if:

a. there has been a significant subsequent equity financing provided by outside investors, at a valuation above or below the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

b. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;

c. the investee company is placed into receivership or bankruptcy;

d. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;

e. receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);

f. filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;

g. release by the investee company of positive/negative exploration results; and

h. important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of comprehensive income (loss) and are calculated on an average cost basis.

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the statement of comprehensive income (loss) as incurred. Dividend income is recorded on the ex-dividend date and when the right to receive the dividend has been established.

Interest income is recorded on an accrual basis when reasonable assurance exists regarding measurement and collectability.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Financial assets

(i) Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. Assets in this category include cash and investments.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes recognized in profit or loss. Attributable transaction costs are recognized in profit or loss when incurred.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets.

Loans and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is used to determine the amortized cost of a loans and receivables and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Assets in this category include accounts receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(iv) De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company has classified trade and other payables and due to related parties as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payments 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. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at the grant date and each tranche is recognized over the period during which the options vest. 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 number of stock options that are expected to vest.

Share capital

Proceeds from the exercise of stock options and warrants, in addition to the estimated fair value attributable to these equity instruments, are recorded as share capital when exercised. In a unit offering, the Company prorates the proceeds between common shares and warrants using the relative fair value method. Share issuance costs are recorded as a reduction of share capital.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit and loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New standards, interpretations and amendments not yet effective

Certain new standards, amendments to standards and interpretations are not yet effective as of December 31, 2017, and have not been applied in preparing these financial statements.

Effective for annual periods beginning on or after January 1, 2018:

- New standard IFRS 9, Financial Instruments

  Partial replacement of IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets will be eliminated.

- New standard IFRS 15, Revenue from Contracts

  On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

Effective for annual periods beginning on or after January 1, 2019:

- New standard IFRS 16, Leases

  All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently.

The Company has not early adopted these new standards and these standards are not expected to have a material effect on the financial statements.

(EXPRESSED IN CANADIAN DOLLARS)

4. CASH

	December 31, 2017	December 31, 2016
Canadian dollar denominated deposits in bank	$ 3,357,121	$ 21,728
US dollar denominated deposits in bank	97	1,460
Canadian dollar denominated deposits held with broker	-	1
Total	$ 3,357,218	$ 23,189

5. INVESTMENTS AT FAIR VALUE

At December 31, 2017, the Company held the following investments:

Investee	Shares	Cost	Fair Value
Public Companies			
Almonty Industries Inc.	1,001,993	$ 2,125,218	$ 541,076
BriaCell Therapeutics Corp.	123,076	159,817	16,615
Fura Gems Inc.	41,666	200,000	22,083
Lions Gate Metals Inc.	286,933	5,020,527	123,381
Total of 5 other public company investments, each valued under $15,000		205,262	29,593
		7,710,824	732,748
Private Companies			
Pembrook Copper Corp.	320,000	452,000	180,000
		$ 8,162,824	$ 912,748

During the year ended December 31, 2017, the Company sold 427,000 shares of Almonty Industries Inc. for gross proceeds of $117,406.

At December 31, 2016, the Company held the following investments:

Investee	Shares	Cost	Fair Value
Public Companies			
Almonty Industries Inc.	1,428,993	$ 3,030,881	$ 371,538
Ardiden Ltd.	700,000	93,986	20,300
BriaCell Therapeutics Corp.	123,076	159,817	24,000
Lions Gate Metals Inc. *	286,933	5,020,527	44,475
Mesa Exploration Corp.	233,500	50,761	11,675
Total of 4 other public company investments, each valued under $10,000		260,515	9,948
		8,616,487	481,936
Private Companies			
Pembrook Mining Corp.	320,000	452,000	320,000
		$ 9,068,487	$ 801,936

* In November 2016, Lions Gate Metals Inc. completed a share consolidation a 4:1 basis.

5. INVESTMENTS AT FAIR VALUE (continued)

During the year ended December 31, 2016, the Company sold 553,000 shares of Almonty Industries Inc. for gross proceeds of $155,493.

6. SHARE CAPITAL

a) Authorized share capital

At December 31, 2017, the authorized share capital comprised an unlimited number of common shares without par value.

On October 20, 2017, the Company completed a share consolidation of its share capital on the basis of twenty (20) existing common shares for one (1) new common share. As a result of the share consolidation, the 123,019,885 common shares issued and outstanding were consolidated to 6,150,997 common shares. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

b) Issued share capital

At December 31, 2017, the Company had 46,141,007 common shares issued and outstanding (2016 – 6,150,997).

On November 17, 2017, the Company completed the first tranche of a non-brokered private placement through the issue of 15,100,010 units at $0.10 for gross proceeds of $1,510,001. Each unit comprises one common shares and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of $0.15 until November 17, 2019. The Company paid finders' fees of $83,300 and issued 833,000 finders' warrants exercisable until November 17, 2019 to purchase one unit at $0.10 on the same terms as the units issued in the private placement. The Company also incurred other share issuance costs of $11,287 in connection with this non-brokered private placement.

On November 24, 2017, the Company completed the second and final tranche of the non-brokered private placement through the issue of 4,890,000 units at $0.10 for gross proceeds of $489,000. Each unit comprises one common shares and one-half share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of $0.15 until November 17, 2019. The Company paid finders' fees of $34,230 and issued 342,300 finders' warrants exercisable until November 17, 2019 to purchase one unit at $0.10 on the same terms as the units issued in the private placement.

On December 27, 2017, the Company completed a non-brokered private placement through the issue of 20,000,000 units at $0.31 for gross proceeds of $6,200,000. Each unit comprises one common shares and one share purchase warrant. Each whole warrant is exercisable to purchase one common share at an exercise price of $0.45 until December 27, 2019. The Company paid finders' fees of $620,000 and issued 2,000,000 finders' warrants exercisable until December 27, 2019 to purchase one unit at $0.45 on the same terms as the units issued in the private placement. The Company also incurred other share issuance costs of $33,012 in connection with this non-brokered private placement. As at December 31, 2017, there are subscriptions receivable of $4,176,144; and was fully received in January 2018.

c) Stock options

The Board of Directors of the Company may from time-to-time grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Company's stock option plan requires that options vest 20% immediately, with 20% vesting every six months thereafter; however, the Board may change such provisions at its discretion or as required on a grant-by-grant basis.

(EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (continued)

c) Stock options (continued)

The continuity for stock options for the year ended December 31, 2017 is as follows:

Expiry date	Exercise price	Balance, December 31, 2016	Granted	Exercised	Expired	Balance, December 31, 2017
November 24, 2022	$0.465	-	300,000	-	-	300,000 *
		-	300,000	-	-	300,000
Weighted average exercise price		$ -	$ 0.465	$ -	$ -	$ 0.465

* The stock options vest immediately from the date of grant

On November 24, 2017, the Company granted 300,000 stock options with an exercise price of $0.465 per share expiring on November 24, 2022 (Note 7). The fair value of the stock options was estimated to be $139,152 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 269.38%; risk-free rate of 1.62%; and expected dividends of zero.

The continuity for stock options for the year ended December 31, 2016 is as follows:

Expiry date	Exercise price	Balance, December 31, 2015	Granted	Exercised	Expired	Balance, December 31, 2016
January 24, 2016	$0.155	1,250,000	-	-	(1,250,000)	-
		1,250,000	-	-	(1,250,000)	-
Weighted average exercise price		$ 0.155	$ -	$ -	$ 0.155	$ -

d) Finders' warrants

The continuity for finders' warrants for the year ended December 31, 2017 is as follows:

Expiry date	Exercise price	Balance, December 31, 2016	Granted	Exercised	Expired	Balance, December 31, 2017
November 17, 2019	$0.10	-	1,175,299	-	-	1,175,299
December 27, 2019	$0.45	-	2,000,000	-	-	2,000,000
		-	3,175,299	-	-	3,175,299
Weighted average exercise price		$ -	$ 0.32	$ -	$ -	$ 0.32

On November 17, 2017, the Company granted 1,175,299 finders' warrants with an exercise price of $0.10 per share expiring on November 17, 2019. The fair value of the finders' warrants was estimated to be $691,641 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 213.60%; risk-free rate of 1.45%; and expected dividends of zero.

On December 27, 2017, the Company granted 2,000,000 finders' warrants with an exercise price of $0.45 per share expiring on December 27, 2019. The fair value of the finders' warrants was estimated to be $2,730,916 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 298.96%; risk-free rate of 1.66%; and expected dividends of zero.

(EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (continued)

e) Warrants

The continuity for warrants for the year ended December 31, 2017 is as follows:

Expiry date	Exercise price	Balance, December 31, 2016	Granted	Exercised	Expired	Balance, December 31, 2017
November 17, 2019	$0.15	-	9,995,005	-	-	9,995,005
December 27, 2019	$0.45	-	20,000,000	-	-	20,000,000
		-	29,995,005	-	-	29,995,005
Weighted average exercise price		$ -	$ 0.35	$ -	$ -	$ 0.35

During the year ended December 31, 2017, the fair value of the 29,995,005 share purchase warrants issued in connection with the unit private placements totalled $3,689,765 valued on a relative fair value basis using the Black-Scholes pricing model with the following weighted average assumptions: term of 2 years; expected volatility of 270.51%; risk-free rate of 1.59%; and expected dividends of zero.

7. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017, the Company paid or accrued $75,600 (2016 - $75,600) to Golden Oak Corporate Services Ltd. ("Golden Oak"). Golden Oak is a consulting company controlled by the Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, a Corporate Secretary, and accounting and administrative staff to the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company. As at December 31, 2017, there was $2,371 (2016 - $Nil) due to Golden Oak, which is included in trade and other payables.

During the year ended December 31, 2017, the Company incurred $139,152 ($2016 - $Nil) in share-based compensation to the directors of the Company (Note 6).

As at December 31, 2017, there was $Nil (2016 – $95,250) due to current and former directors of the Company.

8. SEGMENTED INFORMATION

The Company operates in one business segment being the financing of private and public exploration and mining companies in the hard rock minerals, precious metals, rare-earth minerals, oil, gas, water and renewable energy markets. The majority of the Company's public company investments are traded on Canadian exchanges.

(EXPRESSED IN CANADIAN DOLLARS)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash, receivables, share subscriptions receivable, investments, trade and other payables, and due to related parties. The carrying value of receivables, share subscriptions receivable, trade and other payables and due to related parties approximates their fair value due to the short-term nature. Cash is recorded at fair value using Level 1 of the fair value hierarchy. Investments are recorded at fair value using Level 1 to 3 of the fair value hierarchy.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's investments, measured at fair value on the statements of financial position and categorized into levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
December 31, 2017	$ 732,748	$ -	$ 180,000	$ 912,748
December 31, 2016	$ 481,936	$ -	$ 320,000	$ 801,936

The Company holds a private company investment that is considered Level 3. The fair value of the investment in Level 3 is determined by referring to the most recent equity financing the investee undertook during the period if it can be demonstrated that this was completed with an arms-length party or by using a valuation model that utilizes the weighted average of the net assets of the private company and the value of its historical share issuance transactions. For the years ending 2017 and 2016 the company has utilized the valuation model as it has not been able to evidence that equity financing by the investee was completed with arms-length parties.

The following table reconciles the Company's Level 3 fair value investments:

Level 3	**Year ended December 31, 2017**	**Year ended December 31, 2016**
Balance, beginning of period	$ 320,000	$ 400,000
Unrealized loss	(140,000)	(80,000)
Balance, end of period	$ 180,000	$ 320,000

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk management

The Company is or may be subject to certain risks including interest rate risk, currency risk, credit risk and market risk. Risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results and increase overall financial strength.

Interest rate risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Currency risk

The Company has foreign investments and is therefore subject to currency risk. Management believes these investment and transaction amounts are not significant and there are no material foreign currency commitments. The currency risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Credit risk

Credit risk is the risk associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe money or securities in connection with services provided, or for other purposes, will default on their underlying obligations.

Prior to accepting any service engagement or providing any loan, the Company assesses future recoverability by examining the entities' financial conditions, properties and assets, business development activities and management. The Company manages its exposure to credit risk by reviewing the outstanding balances on an ongoing basis, monitoring the amount attributable to each counterparty and the length of time taken for amounts to be settled. Where necessary, management takes appropriate action to follow up on those balances considered overdue.

Liquidity risk

Liquidity risk is the risk that the Company will have insufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company does not have access to the capital markets, whether as a result of a downturn in general market conditions or related to matters specific to the Company, or if the value of the Company's investments decline, resulting in lower proceeds and/or losses on disposition. The Company generates cash flows primarily from the disposition of its investments and from its financing activities. The Company's investments focus on early-stage natural resource and renewable energy companies which can at times be relatively illiquid and if the Company decides to dispose of certain securities, it may not be able to do so at favorable prices at that time, or at all. However, the Company has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions such that, in the absence of overall market disruptions or exceptional circumstances, liquidity risk can be minimized.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk management (continued)

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in the junior natural resource industry, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. A 10% change in the fair values of the Company's investments at December 31, 2017 would have an $91,000 impact on operations.

Concentration risk

The Company is subject to concentration risk due to the nature of the Company's operations as an investment company and the number of investments held in the portfolio which consists primarily of early-stage natural resource and renewable energy companies and their related technologies. As a result, the investment portfolio is directly exposed to the risks associated with companies operating in this industry sector.

As at December 31, 2017, approximately 79% of the fair value of the Company's investment portfolio consisted of investments in two companies with the largest single investment comprising 59% of the total portfolio value.

10. MANAGEMENT OF CAPITAL

The Company considers its common shares and options to comprise its capital.

The Company's objectives when managing capital are:

(a) To ensure that the Company maintains the level of capital necessary to meet its operational requirements;
(b) To allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;
(c) To create sustained growth in shareholder value by increasing shareholders' equity and minimizing shareholder dilution; and
(d) To maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to meet its objectives, in order of preference, by:

(a) Realizing proceeds from the disposition of investments and provision of corporate services; and
(b) Raising funds through equity financings.

The Company is not subject to any externally imposed capital requirements. Management monitors the Company's capital to ensure capital resources will be sufficient to discharge its liabilities on an ongoing basis.

(EXPRESSED IN CANADIAN DOLLARS)

11. INCOME TAXES

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

	Year ended December 31, 2017	Year ended December 31, 2016
Net loss for the year	$ (60,493)	$ (210,523)
Expected income tax expense (recovery)	$ (16,000)	$ (55,000)
Change in unrecognized temporary differences	610,000	120,000
Change in statutory rates	(427,000)	-
Share issue costs	(167,000)	(65,000)
Total income tax expense (recovery)	$ -	$ -

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

	December 31, 2017	December 31, 2016
Deferred tax assets		
Canadian non-capital losses available for future periods	$ 41,585,000	$ 41,507,000
Equipment	3,000	3,000
Share issue costs	625,000	-
Allowable capital losses	438,000	438,000
Total unrecognized deferred tax assets	$ 42,651,000	$ 41,948,000

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	December 31, 2017	December 31, 2016
Temporary differences		
Canadian non-capital losses available for future periods	2029-2037	2029-2037
Equipment	No expiry date	No expiry date
Share issue costs	2038-2041	-
Allowable capital losses	No expiry date	No expiry date

12. SUBSEQUENT EVENT

In January 2018, subscriptions receivable of $4,176,144 was fully received.