TRUECLAIM
EXPLORATION

("an Exploration Stage Entity")

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017 and 2016

(Expressed in Canadian Dollars)

Independent Auditors' Report

To the Shareholders of Trueclaim Exploration Inc.:

We have audited the accompanying consolidated financial statements of Trueclaim Exploration Inc., which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Trueclaim Exploration Inc. as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which discloses matters and conditions that indicate the existence of material uncertainty that may cast significant doubt about Trueclaim Exploration Inc.'s ability to continue as a going concern.

Other Matters
The consolidated financial statements of Trueclaim Exploration Inc. for the year ended December 31, 2016 and 2015 (prior to the restatement of the comparative information described in Note 3 to the consolidation financial statements) were audited by another auditor who expressed an unmodified opinion on those consolidated statements on May 2, 2017.

As part of the audit of the restated consolidated financial statements of Trueclaim Exploration Inc. for the year ended December 31, 2017, we also audited the adjustments described in Note 3 that were applied to restate the consolidated statement of financial position as at December 31, 2016 and January 1, 2016. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the consolidated statement of financial position of the Trueclaim Exploration Inc. as at December 31, 2016 and January 1, 2016 other than with respect to the adjustments and accordingly we do not express an opinion or any other form of assurance on the restated consolidated statement of financial position as at December 31, 2016 and January 1, 2016 taken as a whole.

MNP LLP

Toronto, Ontario
April 30, 2018

Chartered Professional Accountants
Licensed Public Accountants

MNP

Trueclaim Exploration Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at December 31, 2017 and December 31, 2016

	December 31, 2017	December 31, 2016 (Note 3 Restated)	January 01, 2016 (Note 3 Restated)
	$	**$**	**$**
Assets			
Current assets			
Cash and cash equivalents	2,634	1,324	8,323
Receivables	845	12,712	1,855
	3,479	14,036	10,178
Non-current assets			
Intangible assets (Note 4)	291,463	254,326	4,834,807
Total Assets	**294,942**	**268,362**	**4,844,985**
Liabilities			
Current liabilities			
Trade payables and accrued liabilities (Note 11)	1,294,209	1,403,985	1,325,279
Total Liabilities	1,294,209	1,403,985	1,325,279
Shareholders' Equity			
Share capital (Note 5)	8,861,507	8,861,507	8,410,757
Contributed surplus (Note 6(b))	2,061,805	2,050,930	1,797,719
Warrants (Note 5)	-	10,875	233,160
Accumulated deficit	(11,922,579)	(12,058,935)	(6,921,930)
Total Shareholders' Equity	(999,267)	(1,135,623)	3,519,706
Total Liabilities and Shareholders' Equity	**294,942**	**268,362**	**4,844,985**

Going concern (Note 1)
Commitments (Note 13)
Contingent liabilities (Note 15)

Approved by the Board of Directors

"Byron Coulthard"	"Larry Bleau"
Director	Director

The accompanying notes are an integral part of these consolidated financial statemen

Trueclaim Exploration Inc.

Consolidated Statements of Income and Comprehensive Income

(Expressed in Canadian dollars)

For the years ended December 31, 2017 and 2016

	2017	2016
	$	$
Operating Expenses		
Administrative expenses	94,306	50,775
Management fees (Note 11)	151,659	127,939
Professional fees (Note 11)	52,759	52,536
Shares-based compensation (Note 6)	-	30,926
	298,724	262,176
Loss from operations	298,724	262,176
Gain on debt settlement	(435,080)	(226,292)
Impairment of intangible assets	-	5,101,121
Net income (loss) and comprehensive income (loss) for the year	**136,356**	**(5,137,005)**
Net income (loss) per share (Note 2)		
Basic	0.04	(2.12)
Diluted	0.04	(2.12)
Weighted average number of common shares - Basic	3,330,953	2,428,337
Weighted average number of common shares - Diluted	3,330,953	2,428,337

Trueclaim Exploration Inc. ("an Exploration Stage entity")

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

For the years ended December 31, 2017 and 2016

	Share Capital	Contributed Surplus	Warrants	Shares Subscribed but Not Issued	Accumulated Deficit	Total Equity
	$	$	$	$	$	$
Balance – January 1, 2016, as previously reported	8,410,757	1,797,719	233,160	-	(6,613,205)	3,828,431
Prior period adjustment (Note 3)	-	-	-	-	(308,725)	(308,725)
Balance – January 1, 2016, restated	**8,410,757**	**1,797,719**	**233,160**	**-**	**(6,921,030)**	**3,519,706**
Net loss for the year	-	-	-	-	(5,137,005)	(5,137,005)
Share based compensation	-	30,926	-	-	-	30,926
Expired warrants	-	222,285	(222,285)	-	-	-
Shares issued as option payment on property	4,000	-	-	-	-	4,000
Shares issued for mining properties	268,831	-	-	-	-	268,831
Shares issued for debt settlement	177,919	-	-	-	-	177,919
Balance – December 31, 2016, restated	**8,861,507**	**2,050,930**	**10,875**	**-**	**(12,058,035)**	**(1,135,623)**
Net income for the year	-	-	-	-	136,356	136,356
Expired warrants	-	10,875	(10,875)	-	-	-
Balance – December 31, 2017	**8,861,507**	**2,061,805**	**-**	**-**	**(11,922,579)**	**(999,267)**

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

Trueclaim Exploration Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

For the years ended December 31, 2017 and 2016

	December 31, 2017	December 31, 2016
Cash provided by (used in):	$	$
Operating activities		
Net income (loss) and comprehensive income (loss) for the year	136,356	(5,137,005)
Share-based compensation	-	30,926
Gain on settlement of debt	(435,080)	(226,292)
Impairment of intangible assets	-	5,101,121
Changes in items of non-cash working capital:		
Receivables	11,867	(10,857)
Trade payables and accrued liabilities	325,304	234,185
	38,447	(7,922)
Investing activities		
Cash acquired from subsidiary	-	923
Intangible assets	(37,137)	-
	(37,137)	923
Increase (decrease) in cash and cash equivalents	1,310	(6,999)
Cash and cash equivalents – Beginning of year	1,324	8,323
Cash and cash equivalents – End of year	**2,634**	**1,324**
Income taxes paid	-	-
Interest paid	-	-

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

1. Nature of Operations and Going Concern

Trueclaim Exploration Inc. (the "Company") is a Canadian company which is engaged in the acquisition, exploration and development of resource properties in Canada and the United States. The Company has not yet determined whether its mining properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mining properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to fund costs to complete the exploration and evaluation of its properties, and upon future profitable production or proceeds from the disposal of properties.

The consolidated financial statements of the Company have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and balance sheet classification that would be necessary were the going concern assumption inappropriate. These adjustments could be material. During the years ended December 31, 2017, the Company had a comprehensive income of $136,356 (comprehensive loss 2016: $5,137,005) and as at December 31, 2017, reported a deficit of $11,922,579 (2016: $12,058,935) since its inception. These circumstances may cast significant doubt as to the ability of the Company to continue operations into the foreseeable future as a going concern and, accordingly, the ultimate appropriateness of the use of reporting standards applicable to a going concern. Management has continued to obtain financing through the issuance of new equity instruments from third parties for the Company to continue its operations and, while it has been successful in raising funds in the past, there can be no assurance that the Company will be able to do so in the future should additional funding be needed. Without such additional funding being available, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these consolidated financial statements.

Although management has taken steps to verify title to mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

The Company is a public company which is listed on the TSX Venture Exchange (the "Exchange"). The business address of its registered office is #575 – 510 Burrard Street, Vancouver, BC, V6C 3A8.

These consolidated financial statements including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in the annual financial statements prepared

The consolidated financial statements were approved by the Board of Directors for issue on April 30, 2018.

2. Summary of Significant Accounting Policies and Significant Judgments and Estimates

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

Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments classified as 'fair value through profit and loss' ("FVTPL") which have been measured at fair value. The comparative figures presented in these condensed interim consolidated financial statements are in accordance with IFRS.

All amounts are expressed in Canadian dollars, which is also the functional currency of the Company and its subsidiary.

Consolidation

The financial statements of the Company consolidate the accounts of Trueclaim Exploration Inc. and its wholly owned subsidiaries, Trueclaim Resources Inc. and Northern Skye Resources Ltd. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks.

Impairment

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

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 was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

2. Summary of Significant Accounting Policies and Significant Judgments and Estimates (Continued)

Impairment (Continued)

In relation to receivables, a provision for impairment is made and an impairment loss is recognized in income when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Intangible assets

The Company records its interests in mining properties and areas of geological interest at cost as intangible assets in the consolidated statements of financial position. Each individual mining property is defined as a cash generating unit. Exploration and evaluation costs relating to these interests and projects are capitalized until the properties to which they relate are placed into production, sold or allowed to lapse. During the year ended December 31, 2017, $37,137 (2016 – $520,641) of costs were incurred for exploration, evaluation and acquisitions of mining properties. Management reviews the carrying values of intangible assets on a regular basis to determine whether any write downs are necessary. These costs will be amortized over the estimated useful life of the mining properties following commencement of production or written off if the mining properties or projects are sold or allowed to lapse. General exploration expenditures not related to specific mining properties are expensed as incurred.

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of the flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the subscribers at an agreed upon date.

The fair value of the tax benefit received by the subscriber is recorded as a liability which is extinguished when the tax effect of the temporary differences, resulting from the renunciation, is recorded. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense.

A deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures that are capitalized to exploration and evaluation assets and their tax basis. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset.

2. Summary of Significant Accounting Policies and Significant Judgments and Estimates (Continued)

Income tax

Current income taxes

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of loss and comprehensive loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes

Deferred tax assets and liabilities represent income taxes expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Company's consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax assets also represent income taxes expected to be recoverable on unclaimed losses carried forward.

Deferred taxes are calculated using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, with some exceptions described below. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be used. Neither deferred tax liabilities, nor deferred tax assets, are recognized as a result of temporary differences that arise from the initial recognition of goodwill or a transaction, other than a business combination, that affects neither accounting profit nor taxable profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax asset and liabilities are measured using the enacted or substantively enacted tax rates as of the statement of financial position date that are expected to be in effect when the differences reverse or when unclaimed losses are utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of the asset to be utilized. To the extent that an asset not previously recognized fulfills the criteria for asset recognition, a deferred tax asset is recognized.

Deferred tax is recognized in the consolidated statements of comprehensive loss, unless it relates to items recognized directly in equity, in which case the deferred tax related to those items is also recognized directly in equity.

2. Summary of Significant Accounting Policies and Significant Judgments and Estimates (Continued)

Income (loss) per share

The basic income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. During the year ended December 31, 2016, all of the outstanding stock options and warrants were anti-dilutive. During the year ended December 31, 2017, the stock options were not in the money and therefore were not dilutive.

Share capital

Share-based compensation

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments. These amounts are recorded at the fair value of the equity instrument granted.

Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the consolidated financial statements. Those estimates and assumptions also affect the disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The most significant estimates relate to determining fair value of share-based payments to non-employees and impairment testing of the Company's intangible assets, and taxes.

Financial instruments

All financial assets are initially classified into one of four categories: fair value through profit and loss ("FVTPL"), held-to-maturity, available for sale, and loans and receivables.

Financial assets classified as FVTPL are measured at fair value with gains and losses recognized through earnings. The Company's cash and cash equivalents are classified as FVTPL.

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including the transaction costs. They are subsequently measured at amortized cost using the effective interest rate method. The Company does not have any held-to-maturity investments.

2. Summary of Significant Accounting Policies and Significant Judgments and Estimates (Continued)

Financial assets classified as available for sale are measured at fair value with gains and losses recognized through a reserve in other comprehensive income.

Financial assets classified as loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest rate method less a provision for impairment. The Company's receivables are classified as loans and receivables.

The Company's financial liabilities consist of trade payables and accrued liabilities. These financial liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the liabilities to fair value. Subsequently, trade payables and accrued liabilities are measured at amortized cost.

Accounting standards issued but not yet effective

Financial instruments

IFRS 9 'Financial Instruments: Classification and Measurement' - replaces the guidance on classification and measurement of financial instruments in IAS 39 - Financial Instruments - Recognition and Measurement. The new standard requires a consistent approach to the classification of financial assets and replaces the numerous categories of financial assets in IAS 39 with two categories, measured at either amortized cost or at fair value. For financial liabilities, the standard retains most of the IAS 39 requirements, but where the fair value option is taken, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new standard (a) no longer requires the use of a specific quantitative threshold to determine if the hedging relationship is highly effective in order to qualify for hedge accounting; (b) removes restrictions that prevented some economically rational hedging strategies from qualifying for hedge accounting; and (c) allows purchased options, forwards and non-derivative financial instruments to be hedging instruments in applicable circumstances.

The standard becomes effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with the exception of the general hedging phase which is applied prospectively. There is no impact of adopting IFRS 9 on the Company other than some additional disclosure requirements in its financial statements.

Leases

In January 2016, the IASB issued IFRS 16 – "Leases" ("IFRS 16"), which replaces IAS 17 – "Leases", and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its financial statements.

(Expressed in Canadian dollars)

3. Restatement

During the year ended December 31, 2017, the Company identified a prior period adjustment relating to the underspent amount of flow through shares issued in 2012. The underspent amount of flow through funds raised generated a potential obligation to indemnify the shareholders of the Company which was not accrued previously. Such non-accrual has necessitated a restatement of previously issued financial statements.

The impact of this change on the consolidated statement of financial position as at January 1, 2016 is as follows:

	As previously reported	Adjustment	As restated
	$	$	$
STATEMENT OF FINANCIAL POSITION			
Current assets	10,178	-	10,178
Non-current assets	4,834,807	-	4,834,807
Current liabilities	1,016,554	308,725	1,325,279
Accumulated deficit	(6,613,205)	(308,725)	(6,921,930)

The impact of this change on the consolidated statement of financial position as at December 31, 2016 is as follows:

	As previously reported	Adjustment	As restated
	$	$	$
STATEMENT OF FINANCIAL POSITION			
Current assets	14,036	-	14,036
Non-current assets	254,326	-	254,326
Current liabilities	1,095,260	308,725	1,403,985
Accumulated deficit	(11,750,210)	(308,725)	(12,058,935)

(Expressed in Canadian dollars)

4. Intangible Assets

	Mineral Properties
Cost	**$**
As at January 1, 2016	5,775,776
Additions	520,641
Disposals	-
As at December 31, 2016	6,296,417
Additions	37,137
Disposals	-
As at December 31, 2017	**6,333,554**
Impairment	
As at January 1, 2016	(940,970)
Impairment for the year	(5,101,121)
As at December 31, 2016	(6,042,091)
Impairment for the year	-
As at December 31, 2017	**(6,042,091)**
Net book value	
As at December 31, 2016	**254,326**
As at December 31, 2017	**291,463**

Mineral Properties	**December 31, 2017**	**December 31, 2016**
	$	**$**
Scadding Area mining properties	205,324	205,324
Black Diamond mining property	45,000	45,000
Berry-Desboues Township mining property	26,733	2,001
Hebecourt Township mining property	14,406	2,001
	291,463	**254,326**

4. Intangible Assets (Continued)

Scadding Area Mining Properties

The Company has an interest in leases and mineral property options which are contiguous in the area of Scadding, Ontario. These leases/claims were acquired for gold exploration purposes.

The leased property consists of an option to earn a 51% interest in certain provincial mining leases and mineral claims located in the district of Sudbury in the province of Ontario. The Scadding claims were acquired by management for gold exploration purposes, and in order to maintain its interest in good standing the Company is required to comply with the following requirements:

1. The Company must issue an aggregate of 2,000,000 common shares in installments of 500,000 shares every six months over a period of two years with the first issuance due February 13, 2010. The first two installments of the shares were issued during 2010, and the third and fourth installments were issued during the year ended December 31, 2011.
2. The Company must issue an aggregate of 300,000 common shares in installments of 150,000 shares over a period of three years with the first issuance due May 5, 2010 and the second issuance on or before May 5, 2012. The first installment of these shares was issued during 2010 and the second installment was issued during the year ended December 31, 2011.
3. The Company must incur an aggregate of $2,000,000 in cash exploration costs. This requirement was met during the year ended December 31, 2010.

The Company can increase its interest in the Scadding claims from 51% to 100% by paying $2,000,000 in cash on or before commencement of commercial production on the Scadding area mining properties. The Scadding claims are subject to a $1.00 per ton royalty covering ore removed from the property and a 3% net smelter return ("NSR") royalty. Included in the Scadding mining properties are several staked properties that have been registered with the Ontario Ministry of Natural Resources.

The Company issued 50,000 common shares and paid $12,500 for an option on approximately 4,000 acres of unpatented mineral claims. In order to maintain its interest in good standing the Company is required to comply with the following requirements:

1. The Company must issue an additional 300,000 common shares in the following installments: 100,000 common shares at or before January 16, 2011, which were issued during the year ended December 31, 2011 and 200,000 common shares at or before January 16, 2012, which were issued on February 9, 2012.

4. Intangible Assets (Continued)

Scadding Area Mining Properties (Continued)

The Company issued 10,000 common shares for an option on approximately 17,000 acres of unpatented mineral claims. In order to maintain its interest in good standing the Company is required to comply with the following requirements:

1. The Company must issue an additional 70,000 common shares in the following installments; 20,000 common shares at or before July 23, 2011, 20,000 common shares at or before July 23, 2012 and 30,000 common shares at or before July 23, 2013. Only the first installment of shares was issued during the year ended December 31, 2011. The second and final installments of shares were issued during the year ended December 31, 2013.

2. The Company must make cash payments of $100,000 in the following installments: $20,000 on or before July 23, 2011, $30,000 on or before July 23, 2012 and $50,000 on or before July 23, 2013. Only the first installment of cash payment was made during the year ended December 31, 2011.

3. The Company determined that this option agreement was technically in default. The Company has obtained confirmation from the Optionor that they will continue to keep the Company's optioned interest on the property in good standing until the Company has raised sufficient funds to continue with the exploration program of the property.

On March 31, 2014, the Company entered into a definitive joint venture agreement ("Joint Venture Agreement") with a private company, Shoreline Resource Management Inc. ("SRMI") to further the reprocessing of tailings on and at the Scadding tailings impoundment area ("Scadding Tailings Project"). The agreement provides that SRMI will fund the development, process equipment, and operation of the project and the Company will be entitled to 40% of the net profit from the proceeds. The Scadding Tailings Project consists of all the tailings from the past producing Scadding Mine and the Norstar Mine located approximately 50 kilometers from Sudbury, Ontario in the Scadding Township. This Joint Venture Agreement is strictly limited to the reprocessing of tailings in the area. This agreement between SRMI and the Company will become null and void if financing for this Scadding Tailings Project is not obtained within 120 days and the schedule can only be extended with written consent from the Company. SRMI is in default with this agreement and the Company has agreed that this agreement is in good standing until SRMI has raised sufficient funds to continue with the reprocessing program.

In 2016, the Company entered into a joint venture agreement with Northern Sphere Mining Corp. ("NSM") for a joint venture project on the Company's Scadding property. Under the terms of the agreement, Northern Sphere has earned an 80% interest in the Property and has paid Trueclaim $75,000. Northern Sphere has the right to earn up to a 90% interest in the Property by developing the Property into gold production. Northern Sphere may purchase the remaining 10% interest for a purchase price of $2,000,000. As result of disposing 80% in the Scadding property, the Company recognized an impairment loss of $4,654,489 on the remaining 20% interest of the property.

4. Intangible Assets (Continued)

Black Diamond Mining Property

The Company has an option to acquire 100% working interest in a mineral property option in the area of Gila County, Arizona. These claims were acquired for silver exploration purposes.

The Black Diamond property is subject to a 10% net smelter return royalty, which can be reduced to 1% subject to the Company completing a series of payment requirements to the claim holder. The Company issued 200,000 common shares and paid $25,000 for the options and in order to maintain its interest in good standing, the Company is required to comply with the following requirements:

1. The Company must issue an additional 60,000 common shares in the following installments: 20,000 on or before May 19, 2011, 20,000 on or before May 19, 2012 and 20,000 on or before May 19, 2013. Only the first installment of shares was issued during the year ended December 31, 2011. The second and final installments of shares were issued during the year ended December 31, 2013.

2. The Company must make additional cash payment of $825,000 USD in the following installments; $25,000 USD is due on or before May 19, 2011, $100,000 USD is due on or before November 19, 2011, $200,000 USD on or before May 19, 2012 and $500,000 USD on or before May 19, 2013. The first two installments were made for a total of $125,000 USD during the year ended December 31, 2011. During the year ended December 31, 2012, a further $56,000 USD cash payment was made. During the year ended December 31, 2013, cash payments of $99,000 USD and $22,500 CAD was made.

3. The Company must incur an aggregate of $1,500,000 USD in cash exploration costs; $1,000,000 USD of which must be incurred on or before May 19, 2012 and a further $500,000 must be incurred on or before May 19, 2013. As at December 31, 2013, the Company has incurred exploration costs of $536,589.

4. As of December 31, 2013, the Company was in default of this option agreement. On January 24, 2014, the Company entered into an addendum to the option agreement to waive the default and to confirm that the provisions of the option agreement remains in full force and effect by issuing 100,000 common shares of the Company to the Optionor. The addendum also extends the deadline for certain payments and the incurrence of certain exploration expenditures under the option agreement to May 19, 2015.

On July 1, 2015, the Company entered into a joint venture agreement with Northern Sphere Mining Corp. ("NSM"). The Company received $180,000 in consideration for an 80% interest in the Black Diamond Property. NSM will bring the mine into silver production and take over all commitments going forward on this property. As a result of the joint venture, the Company recognized a loss on the sale of the property of $823,463 and an impairment loss of $446,640 on the remaining 20% interest of the property.

4. Intangible Assets (Continued)

Berry-Desboues and Hebecourt Mining Properties,

The Company has renewed the option agreements in September 2017 for the Berry-Desboues and Hebecourt mining properties in Quebec with the Optionor and the Company is required to fulfill the following:

Berry Desboues Mining Property

1. The Company must issue 300,000 common shares to the optionor on or before September 29, 2021;
2. The Company must make additional cash payments of $190,000 CAD to the optionor on or before September 29, 2021; and
3. The Company must incur an aggregate of $800,000 CAD in mineral exploration costs on or before September 29, 2021.

Hebecourt Mining Property

1. The Company must issue 300,000 common shares to the optionor on or before September 29, 2021;
2. The Company must make additional cash payments of $90,000 CDN to the optionor on or before September 29, 2021; and
3. The Company must incur an aggregate of $475,000 CDN in mineral exploration costs on or before September 29, 2021;

These option agreements for these two mining properties are in good standing as at December 31, 2017.

(Expressed in Canadian dollars)

5. Capital Stock

Authorized

Unlimited number of common shares without par value

Issued

		December 31, 2017		December 31, 2016	
Common Shares	**Note**	**Number**	**Amount ($)**	**Number**	**Amount ($)**
Beginning of year		3,330,953	8,861,507	2,130,535	8,410,757
Shares issued as consideration	5a	-	-	1,200,418	450,750
		3,330,953	**8,861,507**	**3,330,953**	**8,861,507**

		December 31, 2017		December 31, 2016	
Warrants	**Note**	**Number**	**Amount ($)**	**Number**	**Amount ($)**
Beginning of year		500,000	10,875	10,720,000	233,160
Warrants expired	5b	(500,000)	(10,875)	(10,220,000)	(222,285)
Balance		**-**	**-**	**500,000**	**10,875**

a) *Shares issued as consideration*

On September 12, 2016, the Company issued 6,720,777 common shares to acquire 100% of the outstanding common shares of Northern Skye Resources Ltd. These shares were valued at $268,831 on the date of issuance.

On September 30, 2016, the Company issued 5,083,400 common shares to settle its debt with certain creditors. These shares were valued at $177,919 on the date of issuance.

On December 20, 2016, the Company issued 200,000 common shares to settle its debt with certain creditors. These shares were valued at $4,000 on the date of issuance.

On October 19, 2017, the Company's common shares were consolidated on a 10-1 basis whereby the issued and outstanding common shares decreased from 33,309,764 to 3,330,953. The TSXV approved the share consolidation and the common shares commenced trading with a new CUSIP number of October 20, 2017.

b) *Expired warrants*

During the year ended December 31, 2016, 10,220,000 warrants expired. The value of the expired warrants $222,285 has been transferred to contributed surplus.

During the year ended December 31, 2017, a total of 500,000 warrants expired. The value of the expired warrants of $10,875 has been transferred to contributed surplus.

(Expressed in Canadian dollars)

6. Stock Options

a) Stock option plan

The Company has a stock option plan, which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the plan may have a maximum term of five years. The exercise price of options granted under the plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the rules of the Exchange. Stock options granted under the plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

During the year ended December 31, 2016, 2,300,000 stock options were granted at an exercise price of $0.05 (pre-consolidation) over 5 years. Shares based compensation of $30,926 was calculated using the Black-Scholes model with assumptions of volatility of 168%, risk-free interest rate of 0.61%, dividend rate of 0%, and market price of $0.015. These stock options expire on March 31, 2021. During the year ended December 31, 2017, a total of 1,300,000 stock options expired. On October 19, 2017, the Company's issued and outstanding common shares were consolidated on a 10-1 basis, and as a result the outstanding stock option outstanding are adjusted on a 10: 1 basis similarly as well.

There were no stock option transactions during the year ended December 31, 2017.

	December 31, 2017		**December 31, 2016**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
		$		**$**
Beginning of period/year	230,000	0.50	-	-
Issued	-	-	230,000	0.50
Exercised	-	-	-	-
Expired	(130,000)	-	-	-
Balance - end of year	100,000	0.50	230,000	0.50

b) Contributed surplus

The fair value of stock options that vest immediately are recorded as an increase to contributed surplus upon issuance of the options. The fair value of stock options that do not vest immediately are recorded as an increase to contributed surplus over the vesting period. On exercise of a stock option, the fair value previously recorded in contributed surplus is removed and recorded as share capital.

(Expressed in Canadian dollars)

6. Stock Options (Continued)

b) Contributed surplus (Continued)

The following is the change in contributed surplus for the year ended December 31, 2017 and the year ended December 31, 2016:

	December 31, 2017	December 31, 2016
	$	$
Opening balance, January 1	2,050,930	1,797,719
Issuance of stock options	-	30,926
Issuance of finder's options	-	-
Exercised finder's options	-	-
Exercised stock options	-	-
Expired warrants	10,875	222,285
Ending balance	**2,061,805**	**2,050,930**

7. Financial Instruments

Fair values

The fair values of financial assets and liabilities included in the statements of financial position are as follows:

	December 31, 2017	December 31, 2016 (Note 3 restated)
	$	$
Cash and cash equivalents (Level 1)	2,634	1,324
Receivables	845	12,712
Trade payables and accrued liabilities	(1,294,209)	(1,403,985)

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

- Level 1 – inputs to the valuation methodology are quoted prices unadjusted for identical assets or liabilities in active markets.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset of liability either directly (as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs to the valuation model are not based on observable market data.

7. Financial Instruments (Continued)

Fair values (Continued)

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment considering factors specific to an asset or liability and may affect placement within the fair value hierarchy.

The carrying value of cash and cash equivalents, receivables, and trade payable and accrued liabilities approximate fair value due to their short-term nature. The Company does not have any non-recurring fair value measurements.

8. Financial Risk Factors

Foreign exchange risk

The Company had no revenue, operating expenses, monetary assets or liabilities that were denominated in a foreign currency. Certain expenditures in respect of the Black Diamond mining property are incurred in US dollars.

Credit risk

The Company did not have any commercial customers during the periods presented and is exposed to minimal credit risk through its bank.

Interest rate risk

The Company is exposed to minimal market interest rate fluctuations with respect to its cash and cash equivalents on hand.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had current assets of $3,479 (December 31, 2016 - $14,036) and current liabilities of $1,294,209 (December 31, 2016 (Note 3 – restated) - $1,403,985). The Company is currently exploring opportunities to raise additional capital.

(Expressed in Canadian dollars)

9. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26% (2016 - 26%) to the effective tax rate is as follows:

	2017	2016
Statutory income tax rate	**26%**	26%
Income (loss) before income taxes for the year	**136,356**	(5,137,005)
Expected income tax provision (recovery)	**35,452**	(1,335,621)
Permanent differences	**1,566**	132,673
Other	**110**	-
Change in tax benefits not recognized	**(37,128)**	1,202,948
Income tax (recovery) expenses	**-**	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Details of deferred tax assets are as follows:

	2017	2016
Non-capital loss carry-forwards	**6,056,562**	6,216,000
Mining properties	**2,215,149**	2,125,149
Equipment and others	**130,041**	130,041
Other temporary differences	**-**	-
	8,311,752	8,471,190

The Canadian non-capital loss carry forwards expire as noted in the table below.

2028	100,163
2029	714,361
2030	1,209,630
2031	1,473,715
2032	764,605
2033	486,239
2034	425,173
2035	388,764
2036	69,860
2037	424,052
	6,056,562

(Expressed in Canadian dollars)

The remaining deductible temporary differences may be carried forward indefinitely.

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 group can utilize the benefits therefrom.

10. Segment Reporting

The Company is only involved in the business of the exploration of minerals. Segment information is provided on the basis of geographic segments as the Company manages its business through two geographic regions - Canada and the United States of America.

Total assets by geography:

			December 31, 2017
	Canada	**USA**	**Total**
	$	**$**	**$**
Total assets	249,942	45,000	**294,942**

Total assets by geography:

			December 31, 2016
	Canada	**USA**	**Total**
	$	**$**	**$**
Total assets	223,362	45,000	**268,362**

11. Related Party Transactions

During the year ended December 31, 2017, the Company incurred key management compensation expenses in the amount of $162,214 (2016 - $136,714).

The above related party transactions were conducted in the normal course of business and were measured at the agreed to amounts which were agreed by the related parties.

As at December 31, 2017, the Company's trade payable and accrued payable balances included $619,254 (2016 - $262,073) payable.

12. Acquisition

On September 12, 2016, the Company completed the acquisition of Northern Skye Resources Ltd. ("Northern Skye"), a private Ontario company. This transaction does not constitute a business combination because Northern Skye does not meet the definition of a business under IFRS 3 *Business Combinations*. Northern Skye has not yet demonstrated the ability to continue on as a business for the purpose of providing economic benefit to its shareholders. As a result, under IFRS, the transaction is being measure at the fair value of equity consideration issued to Northern Skye.

(Expressed in Canadian dollars)

On the date of share issuance, 672,078 shares were issued at $0.04 per share, valuing the transaction at $268,831. The value of net identified assets of NSR acquired in the acquisition is set out as follows:

	$
Cash	923
Accounts receivable	1,440
Mineral properties	446,641
Trade and other payables	(180,173)
	268,831

Prior to the acquisition date, the Company owned 300,000 shares which were carried at a nominal amount.

13. Commitment

Issuance of flow-through shares

The Company is partially financed through the issuance of flow-through shares, requiring that the Company spend the proceeds for qualified mining exploration expenses. Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work, subject to penalties if the conditions are not respected. Although the Company is committed to taking all the necessary measures, refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the year ended December 31, 2011, the Company received $770,000 following an issuance of flow-through units and renounced $769,547 of its tax deductions relating to flow-through expenditures. The Company had until December 31, 2012 to make qualified mining exploration expenses totaling $769,547 and incurred $240,796 of qualifying expenditures. As at December 31, 2017, the Company had accrued $402,640 for penalties, interest and shareholder indemnities relating to the unspent flow through amounts and recorded interest of $32,211 of interest during the year ended December 31, 2017.

14. Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company many issue new shares, through short-form prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at December 31, 2017, the Company is not subject to externally imposed capital requirements.

15. Contingent Liabilities

Mineral Properties

The Company has certain commitments with respect to its mineral properties located in Canada and in the USA, which are described in detail in Note 3 Intangible Assets.

Leases

As at December 31, 2017, the Company is not committed to any operating leases or long-term lease obligations related to its business operations at this time.

Legal Case

As at December 31, 2017, the Company was involved with a litigation, which arose in the normal course of business. During fiscal 2013, a vendor filed a claim against the Company for breach of contract relating to drilling activities in Ontario in the amount of $121,040 of which the Company accrued. The Company is defending this claim vigorously and has since filed a countersuit against the vendor.