Independent Auditors' Report

To the Shareholders of Stakeholder Gold Corp.:

We have audited the accompanying financial statements of Stakeholder Gold Corp., which comprise the statement of financial position as at December 31, 2016 and 2015, and the statements of comprehensive loss, equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Stakeholder Gold Corp. as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Stakeholder Gold Corp.'s ability to continue as a going concern.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

April 27, 2017 — Licensed Public Accountants

MNP

Stakeholder Gold Corp.
Statements of Financial Position

As at December 31,		2016		2015
ASSETS				
Current assets				
Cash and cash equivalents (note 4)	$	1,031,715	$	75,185
Restricted cash (note 4)		24,256		24,244
Receivables (note 6)		63,753		214,020
Prepaid expenses		38,055		13,975
Total current assets		1,157,779		327,424
Exploration and evaluation assets (note 5)		-		-
Total Assets	$	1,157,779	$	327,424
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 6)	$	182,104	$	253,273
Total liabilities		182,104		253,273
SHAREHOLDERS' EQUITY				
Share capital (note 7)		9,336,559		7,544,766
Reserve - share based payments (note 7)		2,722,077		1,337,346
Accumulated deficit		(11,082,961)		(8,807,961)
Total Shareholders' Equity		975,675		74,151
Total Liabilities and Shareholders' Equity	$	1,157,779	$	327,424

Going concern (note 2)
Subsequent events (note 13)

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

On behalf of the Board:

"Signed"	"Signed"
Raymond F. Leach	Chris Berlet
Director	Director

Stakeholder Gold Corp.

Statements of Comprehensive Loss

For the Year Ended December 31,		2016		2015
Interest income	$	6,448	$	469
Expenses				
Management and consulting (note 6)		438,798		233,203
Investor and shareholder relations		267,190		86,773
Profesional fees		44,481		23,367
Administrative		59,155		70,805
Exploration expenses		-		6,950
Share based payments (note 7)		689,210		432,200
Unrecoverable exploration and evaluaton costs (note 5)		782,614		1,648,442
		2,281,448		2,501,740
Net loss and comprehensive loss for the year	$	(2,275,000)	$	(2,501,271)
Average weighted shares outstanding		15,258,993		6,749,942
Basic and diluted loss per share (note 8)	$	(0.15)	$	(0.37)

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

Stakeholder Gold Corp.

Statement of Equity

	Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
	#	$	$	$	$
Balance, December 31, 2014	6,713,096	7,399,057	881,868	(6,306,690)	1,974,235
Private placement (note 7)	950,686	145,709	23,278	-	168,987
Stock based compensation (note 7)	-	-	432,200	-	432,200
Net loss for the year	-	-	-	(2,501,271)	(2,501,271)
Balance, December 31, 2015	7,663,782	7,544,766	1,337,346	(8,807,961)	74,151
Private placement (note 7)	7,500,000	512,400	221,100	-	733,500
Private placement (note 7)	2,441,390	651,895	468,730	-	1,120,625
Private placement (note 7)	1,205,115	300,630	254,721	-	555,351
Exercise of warrants (note 7)	528,375	273,938	(221,100)	-	52,838
Exercise of stock options (note 7)	100,000	52,930	(27,930)	-	25,000
Share based payments (note 7)	-	-	689,210	-	689,210
Net loss for the year	-	-	-	(2,275,000)	(2,275,000)
Balance, December 31, 2016	19,438,662	9,336,559	2,722,077	(11,082,961)	975,675

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

Stakeholder Gold Corp.
Statements of Cash Flows

For the Year Ended December 31,	2016	2015
Cash flow from operating activities		
Net loss	$ (2,275,000)	$ (2,501,271)
Adjustments to reconcile loss to net cash in operating activities		
Interest income	(6,448)	(469)
Share based payments	689,210	432,200
Unrecoverable mineral property and exploration costs	782,614	1,648,442
	(809,623)	(421,098)
Changes in non-cash working capital		
Receivables and prepaid expenses	126,187	(86,056)
Restricted cash	(12)	(159)
Accounts payable and accrued liabilities	(71,169)	(70,000)
Net cash used in operating activities	(754,618)	(577,313)
Cash flow from investing activities		
Interest received	6,448	469
Investment in mineral properties and deferred exploration expenditures	(782,614)	(265,634)
Net cash used in investing activities	(776,166)	(265,165)
Cash flow from financing activities		
Proceeds on the issuance of common shares, net of issuance costs of $163,777 (2015 - $2,356)	2,409,476	168,987
Proceeds on the exercise of warrants	52,838	-
Proceeds on the exercise of stock options	25,000	-
Net cash provided by financing activities	2,487,314	168,987
Increase (decrease) in cash and cash equivalents	956,530	(673,491)
Cash and cash equivalents, beginning of year	75,185	748,676
Cash and cash equivalents, end of year	$ 1,031,715	$ 75,185

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

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Stakeholder Gold Corp. (the "Company" or "Stakeholder") was incorporated under the Canada Business Corporation Act and carries on business in one segment, being the identification, acquisition and exploration of properties for mining of precious and base metals. The Company is listed on the TSX Venture Exchange, having the symbol SRC.V. The address of the Company's head office is 1612 – 25 Adelaide Street East, Toronto, Ontario, M5C 1Y2.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company's ability to dispose of its interests on an advantageous basis. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

Statement of compliance

These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the Company's reporting for the year ended December 31, 2016.

The financial statements were authorized for issue by the Board of Directors on April 27, 2017.

2. GOING CONCERN

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these financial statements.

The Company reported a net loss of $2,275,000 and negative cash flows from operations of $754,618. At December 31, 2016, the Company has positive working capital of $975,675. There is uncertainty as to whether the Company will be able to meet its committed exploration expenditures for its exploration and evaluation assets and to meet its corporate administrative expenses for the next 12 months without additional financing.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

These circumstances create material uncertainty that indicates significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting principles followed in preparing the financial statements are as follows:

Basis of Measurement

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, unless otherwise indicated.

Financial Instruments

Financial Assets

Financial assets are initially recorded at fair value and designated upon inception into one of the following categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss. Financial assets are recognized on the trade date at which the Company becomes party to the contractual provisions of the instrument.

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses.

Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company’s cash and cash equivalents, restricted cash and receivables are classified as loans and receivables.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as other financial liabilities. Accounts payable and accrued liabilities are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Accounts payable and accrued liabilities are classified as other financial liabilities. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid high-interest savings accounts convertible to known amounts of cash and subject to an insignificant risk of change in value.

Restricted cash

Restricted cash includes highly-liquid short-term interest bearing investment accounts held with reputable financial institutions to secure obligations of the Company.

Exploration and Evaluation Assets

Pre-exploration costs are expensed in the year in which they are incurred.

Once the legal right to explore a property has been acquired, all direct costs related to exploration and evaluation of mineral properties, net of incidental revenues, are capitalized under exploration and evaluation assets. Exploration and evaluation expenditures include such costs as the acquisition of rights to explore; sampling and surveying costs; costs related to topography, geology, geochemistry and geophysical studies; drilling costs and costs in relation to technical feasibility and commercial feasibility of extracting a mineral resource. These costs will be amortized against income using the unit-of-production method based on estimated recoverable reserves. The recorded amounts exploration and evaluation assets represent actual expenditures incurred and are not intended to reflect present or future values. Costs not directly attributable to exploration and evaluation activities, including general and administrative costs, are expensed in the year in which they occur.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development, and on future profitable production or proceeds from the disposition thereof, all of which are uncertain.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’.

Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Mineral exploration and evaluation expenditures are classified as intangible assets.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Income Taxes

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

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable with regards to previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the financial reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share Based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company’s estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on grant date.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in Reserve – Share based payments, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in Reserve – Share based payments is credited to share capital for any consideration paid.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Comprehensive Income (Loss)

Comprehensive income includes net earnings (loss) and other comprehensive income (loss). Other comprehensive income includes holding gains on available for sale investments and gains and losses on certain derivative instruments.

Provisions

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

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. At each statement of financial position reporting date, provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation.

The Company has no material provisions as at December 31, 2016 or December 31, 2015.

Rehabilitation Provisions

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

The Company had no material rehabilitation obligations as at December 31, 2016 or December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Loss per Share

Basic loss per share is calculated by dividing net loss applicable to common shares of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments are converted during the year.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Foreign Currency Transactions

The functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Critical Accounting Estimates and Judgments - continued

Going Concern

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. The factors considered by management are disclosed in Note 2.

Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Functional Currency

The determination of an entity's functional currency is a key judgment based on the primary economy environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment opportunities.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment

Assets, including property and equipment, and exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts.

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates the higher of fair value less costs to sell and value in use. Determining the recoverable amount of property and equipment and exploration and evaluation assets requires management to make assumptions about future events and circumstances and cash flows. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Critical Accounting Estimates and Judgments - continued

Provisions and Contingencies

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary, and may cause significant adjustments to the Company's assets when the amounts are determined or additional information is acquired.

Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a corresponding premium amount into other income. A deferred tax liability for the amount of tax reduction renounced to the shareholders is recognized on a retrospective basis.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Recent Accounting Pronouncements

The International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committees ("IFRIC") have issued a number of new or revised standards or interpretations that will become effective for future periods and have a potential implication for the Company.

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 Revenue from Contracts ("IFRS 15") establishes principals for recognizing revenues based on a five-step model which is to be applied with all contracts with customers. The Company plans to adopt the new standard for the year ended December 31, 2017.

The Company has not early adopted any of these standards or interpretations and is currently assessing the impact of the revised standards and interpretations on its financial statements.

4. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents at banks and on hand earn interest at floating interest rates based on daily deposit rates. The Company had no cash equivalents at December 31, 2016 or December 31, 2015.

As at December 31, 2016, Stakeholder's restricted cash balance of $24,256 (2015 – $24,244) related to guaranteed investment certificates securing the Company's corporate credit card.

5. EXPLORATION AND EVALUATION ASSETS

Bass River

On March 31, 2014 the Company received approval from the TSX Venture Exchange for a property option agreement (the "Agreement") with Cogonov Inc. ("Cogonov"). Stakeholder can earn up to a 51% interest in the Bass River Iron-Oxide-Copper-Gold (IOCG) under the following conditions:

- On Execution of the Option: By issuing 100,000 common shares of Stakeholder to Cogonov. The Company exercised this option in March, 2014.

- Six Months from Execution of Option: By incurring expenditures of at least $600,000 on Bass River over a period of up to six months from the execution of the Option and by issuing an additional 100,000 common shares of Stakeholder to Cogonov by six months from the execution of the Option. The Company incurred the required expenses and issued the additional shares on October 15, 2014.

- Two Years from Execution of Option: By incurring expenditures of at least a total of $2,000,000 (including the initial $600,000) on Bass River over a period of up to two years from the execution of the Option.

- Upon completion of the terms above, the Company would own a 40% interest. Stakeholder then has the right to earn a further 11% in Bass River in advance of exercising the right of first refusal by spending an additional $1,000,000 over a period of up to eighteen (18) months. Stakeholder would also have a right of first refusal over the remaining 49% of Bass River.

- Stakeholder would be the operator of Bass River.

On September 18, 2014 the Company received approval for an amendment to the Agreement. Under the terms of the amendment, the Company could expand its interest in the project up to 70%, after earning its initial 51%, by spending a further $4,000,000 on project exploration over 24 months, by making a cash payment of $1,000,000 to Cogonov within 6 months of earning the 51% interest, and by making share payments totaling 200,000 common shares of the Company. The common shares would be issued in tranches of 50,000 common shares, beginning on signing and issued at the next three annual anniversaries thereof. Any share issuances would be subject to TSX Venture Exchange approval.

During the second quarter ending June 30, 2015, the Company terminated the Agreement and took an impairment charge of $1,648,442 on its Bass River assets. In determining whether the Bass River assets were impaired, management assessed several factors including management's intent to continue to develop the Bass River asset.

Management has estimated the cost to sell and value in use to be $nil given that the majority of costs capitalized were a result of third party costs which were not capital in nature and more importantly, no interests had been earned under the Agreement at time of assessment of impairment. The charge has been recognized in the statement of comprehensive loss.

5. EXPLORATION AND EVALUATION ASSETS - continued

Ballarat Property

The Ballarat exploration project is wholly owned by the Company and is located in the White Gold District of the Yukon Territory. The property consists of 200 claims comprising of 4,140 hectares and is located upstream of the Ballarat Creek placer mining operations.

Due to the inconclusive results of the 2016 project and managements focus on the Mountain View project (see note 13), management has determined an impairment exists and has charged these costs to the Statement of Comprehensive Loss.

Details of exploration and evaluation assets for the years ended December 31, 2016 and 2015 are as follows:

	Bass River	Ballarat	Total
Balance at December 31, 2014	$ 1,292,467	$ -	$ 1,292,467
Exploration costs	355,975	-	355,975
Impairment	(1,648,442)	-	(1,648,442)
Balance at December 31, 2015	$ -	$ -	$ -
Exploration costs	-	782,614	782,614
Impairment	-	(782,614)	(782,614)
Balance at December 31, 2016	$ -	$ -	$ -

6. RELATED PARTY TRANSACTONS

(a) Included in receivables is an amount due from a related company which has common officers and directors for $2,840 (2015 - $Nil). The amount is unsecured, non-interest bearing and due on demand.

(b) The Company incurred management and consulting fees relating to exploration work of $55,000 (2015 – $80,000) which was expensed to exploration expenses and rent of $19,930 (2015 – $27,284) and prepaid rent of $14,935 (2015 - $Nil) charged by companies with common officers and/or directors.

(c) As at December 31, 2016 accounts payable and accrued liabilities include $4,086 (2015 – $95,016) due to officers and directors.

(d) As at December 31, 2016 accounts payable and accrued liabilities include $119,549 (2015 – $106,597) due to companies controlled by officers and directors.

(e) In the February 26, 2016 non-brokered private placement, three directors and insiders completed subscriptions for a total of 1,254,000 shares (note 7).

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

6. RELATED PARTY TRANSACTONS - continued

The remuneration of directors and key management of the Company was as follows for years ended December 31:

	2016	2015
Remuneration	$ 449,565	$ 207,800
Share based payments	503,124	432,200
	$ 952,689	$ 640,000

7. SHARE CAPITAL AND RESERVE FOR SHARE BASED PAYMENTS

a) Shares Authorized

The Company is authorized to issue an unlimited number of common shares with no par value. The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

On December 4, 2015, the shareholders of the Company approved a share consolidation on a ten (10) for one (1) basis. Under the approved consolidation, any fractional shares would be rounded down to the nearest whole share. The share consolidation took effect on December 17, 2015. The then common shares outstanding were into 6,903,782 common shares.

b) Transactions

On October 5, 2015, the Company closed a non-brokered private placement totalling $95,343. This private placement consisted of $15,000 of flow-though financing (issuance of 30,000 units priced at $0.50 with a one year half warrant priced at $1.50) and $80,343 of hard dollar financing (issuance of 160,686 units priced at $0.50 with a one year half warrant priced at $1.50). The assumptions used to value the warrants were a stock price of $0.25, an expected life of 1 year, an interest rate without risk of 0.51%, no expected dividend yield, and an estimated volatility of 270% which results in a fair value of each full warrant attached to either a flow-through or hard dollar unit of $0.24.

On December 31, 2015 the Company closed a non-brokered private placement for 2015 eligible flow-through shares raising $76,000 and issuing 760,000 shares. All monies were spent by December 31, 2016.

On February 26, 2016, Stakeholder closed a non-brokered private placement with proceeds of $750,000. The financing was comprised of 1,500,000 flow-through shares without warrants and 6,000,000 hard dollar shares without warrants. In connection with the private placement, the Company paid $16,500 in commission and other related issuance costs, and issued 528,375 broker compensation warrants. Each warrant entitles the holder to purchase one common share at a price of $0.10 for a period of 2 years from the closing date. The warrants were exercised and common shares of 528,375 were issued in 2016 for cash consideration of $52,838. Three directors and insiders completed subscriptions for a total of 1,254,000 shares.

The value attributed to the broker compensation warrants was $221,100 using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 238%, risk free interest of 0.53% and an expected life of 2 years.

7. SHARE CAPITAL AND RESERVE FOR SHARE BASED PAYMENTS - continued

b) Transactions - continued

On September 3, 2016, the Company closed a non-brokered private placement with proceeds of $1,220,695 comprised of 2,441,390 units of which 600,000 were flow through and 1,841,390 were hard dollar. Each unit was comprised of one common share and one half Warrant. Each Warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.75 per share for a period expiring on September 2, 2018. In connection with the private placement, the Company paid $100,070 in commission and other related issuance costs, and issued 200,140 broker compensation warrants. Each warrant entitles the holder to purchase one common share at a price of $0.50 for a period of 2 years expiring September 2, 2018.

The net proceeds were allocated to the equity components on a relative fair value basis with $651,895 (69%) attributed to the shares and $377,302 (31%) attributed to the warrants. Included as a reduction to the net proceeds is $91,428 attributed to the broker warrants. The warrants and broker warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 238%, risk free interest of 0.53% and an expected life of 2 years.

On October 5, 2016, the Company closed a non-brokered private placement with proceeds of $602,558 comprised of 1,205,115 units. Each unit comprised of one common share and one half warrant. Each Warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.75 per share for a period expiring on October 5, 2018. In connection with the private placement, the Company paid $47,206 in commission and other related issuance costs, issued 91,412 broker compensation warrants and 3,000 broker commission units. Each warrant entitles the holder to purchase one common share at a price of $0.50 for a period of 2 years expiring September 2, 2018. Each broker commission unit is exercisable under the same terms and conditions as the units subscribed in the issuance, expiring October 5, 2018.

The net proceeds were allocated to the equity components on a relative fair value basis with $300,630 (69%) attributed to the shares and $186,902 (31%) attributed to the warrants. Included as a reduction to the net proceeds is $66,319 attributed to the broker warrants and $1,500 attributed to the broker units. The warrants and broker warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 239%, risk free interest of 0.53% and an expected life of 2 years.

On October 24, 2016, 100,000 stock options were exercised, resulting in the issuance of 100,000 common shares for cash consideration of $25,000.

c) Stock Options

The Company has a Stock Option Plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 1,943,866 (2015 – 766,378) common shares, representing approximately 10% of the total issued and outstanding common shares of the Company. These options are non-transferrable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant with the exception of investor relations activities which must at a minimum vest in stages over a period not less than 12 months with no more than one-fourth of the option vesting in any three month period. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

For options issued to employees, directors and officers, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

7. SHARE CAPITAL AND RESERVE FOR SHARE BASED PAYMENTS - continued

c) Stock options - continued

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

The Plan must take into account the reserved shares due to the Arrangement relating to options of Hinterland (see below).

On January 15, 2015, the Company granted 230,000 stock options to directors and officers at an exercise price of $2.50 for five years. These options vest immediately. The total fair value of these options using the Black-Scholes pricing model was $432,200, and was recorded as stock-based compensation expense with a corresponding entry to contributed surplus. The assumptions used include the stock price on the date of grant of $2.50, exercise price of $2.50, an interest rate without risk of $1.02%, a 2.5 year expected life of options, volatility of 145% and no expected dividend yield. The fair value on a per option basis was approximately $1.90.

On March 29, 2016, Stakeholder granted 1,000,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.25 for a period of 3 years from the date of issuance. The fair value attributed to the stock options granted was $279,300 using the Black-Scholes model for pricing options because the fair value of the services could not be determined by other methods. The following assumptions were used: dividend yield 0%, expected volatility of 250%, risk free rate of return of 0.53% and an expected life of 3 years.

On September 18, 2016, Stakeholder granted 60,000 stock options to a consultant of the Company at an exercise price of $0.50 for a period of 2 years from the date of issuance. The fair value attributed to the stock options granted was $25,393 using the Black-Scholes model for pricing options because the fair value of the services could not be determined by other methods. The following assumptions were used: dividend yield 0%, expected volatility of 250%, risk free rate of return of 0.53% and an expected life of 2 years.

On October 4, 2016, Stakeholder granted 500,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.61 for a period of 3 years from the date of issuance. The fair value attributed to the stock options granted was $384,517 using the Black-Scholes model for pricing options because the fair value of the services could not be determined by other methods. The following assumptions were used: dividend yield 0%, expected volatility of 250%, risk free rate of return of 0.53% and an expected life of 3 years.

As at December 31, 2016, the Company had stock options outstanding and exercisable as follows:

Date of Grant	Stock Options (#)	Exercise Price	Expiry Date
January 31, 2014	40,000	$ 0.50	January 31, 2019
January 15, 2015	210,000	2.50	January 14, 2020
March 29, 2016	900,000	0.25	March 28, 2019
September 18, 2016	60,000	0.50	September 18, 2018
October 4, 2016	500,000	0.61	October 3, 2019
	1,710,000		

On January 7, 2016, the reserved shares under the Plan of Arrangement (the "Arrangement") with Hinterland, where each pre-consolidation warrant and option holder of Hinterland would receive upon exercise 0.25 shares of Hinterland and 0.023125 shares of the Company, expired.

7. SHARE CAPITAL AND RESERVE FOR SHARE BASED PAYMENTS - continued

c) Stock Options – continued

A summary of the Company's stock option activity during the year is as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding, January 1, 2015	130,000	$	0.80
Issued	230,000		2.50
Cancelled	(50,000)		1.20
Outstanding, December 31, 2015	310,000	$	1.98
Issued	1,560,000		0.38
Expired	(60,000)		1.17
Exercised	(100,000)		0.25
Outstanding, December 31, 2016	1,710,000	$	0.65

During the year, 100,000 stock options were exercise for cash consideration of $25,000.

d) Warrants

The Company has warrants outstanding entitling the holder to purchase one common stock with each warrant exercisable per the terms below:

Date of Issuance	Warrants (#)		Weighted Average Exercise Price	Expiration Date
September 3, 2016	1,220,695	$	0.75	September 2, 2018
October 5, 2016	602,558		0.75	October 4, 2018
Outstanding, December 31, 2016	**1,823,253**	**$**	**0.75**	

The warrants issued in the year were as described in Note 7(b).

A summary of changes in the Company's warrants is presented below:

	Warrants (#)		Weighted Average Exercise Price
Balance at January 1, 2014 and 2015	**451,703**	**$**	**2.90**
Issued per private placements	1,823,253		0.75
Expired	(451,703)		2.90
Balance at December 31, 2016	1,823,253	$	0.75

As a result of the warrants expiring in 2016, $347,360 of proceeds allocated to the warrants on issuance of the units associated with the respective private placements has been reclassified to common stock.

7. SHARE CAPITAL AND RESERVE FOR SHARE BASED PAYMENTS - continued

e) Broker Compensation Warrants

The Company has warrants outstanding entitling the broker to purchase one common stock with each warrant exercisable per the terms below:

Date of Issuance	Warrants (#)	Weighted Average Exercise Price		Expiration Date
September 3, 2016	200,140	$	0.50	September 2, 2018
October 5, 2016	91,412		0.50	October 4, 2018
Outstanding, December 31, 2016	**291,552**	**$**	**0.50**	

The Company issued broker's compensation warrants with the terms and conditions as referred to in Note 7(b). A summary of the broker compensation warrants during the period is as follows:

	Warrants (#)		Weighted Average Exercise Price
Balance at January 1, 2014 and 2015	**224**	**$**	**3.50**
Issued per private placements	819,927		0.24
Exercised	(528,375)		0.10
Expired	(224)		3.50
Balance at December 31, 2016	**291,552**	**$**	**0.50**

In 2016, 528,375 common shares were issued on the exercising of certain warrants for cash consideration of $52,838.

f) Broker Compensation Units

In conjunction with the private placement in per Note 7(b) in October 2016, the Company issued 3,000 broker compensation units. Each broker compensation unit is exercisable under the same terms and conditions as the units subscribed in the issuance, expiring October 5, 2018.

8. BASIC AND DILUTED LOSS PER SHARE

Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of outstanding stock options and warrants is the same as basic loss per share. For the 2016 and 2015 periods presented, the conversion of stock options was not included in the calculation because the calculation would be anti-dilutive The potentially dilutive shares excluded from the loss per share calculation due to anti-dilution are as follows:.

	2016	2015
Options	1,710,000	310,000
Share purchase warrants and units	2,114,805	451,927
Broker compensation units	4,500	-
	3,829,305	761,927

9. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2015 - 26.5%) to the effective tax rate is as follows:

	2016	2015
Net (loss) for the year	**$ (2,275,000)**	$ (2,501,271)
Expected income tax (recovery)	**$ (602,880)**	$ (662,840)
Stock-based compensation and other non-deductible expenses	**99,850**	114,920
Effect of flow-through renunciation	**181,130**	25,180
Tax rate changes and other adjustments	**-**	(12,320)
Change in tax benefits not recognized	**321,900**	535,060
Deferred income tax recoverable	**$ -**	$ -

Unrecognized deferred tax assets

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 because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom:

	2016	2015
Non capital loss carryforwards	**$ 2,920,350**	$ 2,040,760
Exploration and evaluation assets	**5,203,070**	5,120,390
Share issue costs	**263,470**	11,070
Investment tax credits	**52,200**	52,200
Other temporary differences	**8,520**	8,520

The non-capital loss carryforwards expire as noted in the table below.

Investment tax credits expire from 2031-2032.

The remaining deductible temporary differences may be carried forward indefinitely.

The Company's non-capital income tax losses expire as follows:

2031	$ 205,510
2032	329,670
2033	296,100
2034	753,730
2035	472,190
2036	863,150
	$ 2,920,350

10. CAPITAL MANAGEMENT

Stakeholder manages its shareholders' equity as capital, making adjustments based on available funds, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration as well as satisfy administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Stakeholder will continue to assess new properties should sufficient geological or economic potential be demonstrated and if the Company has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the year ended December 31, 2016. Stakeholder is not subject to externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company has no external debt and is dependent on the capital markets to finance exploration and development activities.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Liquidity Risk
- Credit Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of two types of risk: foreign currency risk, interest rate risk and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. Sensitivity to a plus or minus 1% change in the interest rates could impact any renewals or extensions of term deposits which would have no significant impact on the net loss due to the immateriality of the interest earned.

Commodity Price Risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is remote as the Company is not a producing entity.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

At December 31, 2016, Stakeholder had a cash balance of $1,031,715 and current liabilities of $182,104. As outlined in Note 2, the Company will be required to obtain additional financing for working capital and continued exploration and development of its properties.

The following is a summary of the Company's material contractual obligations (representing undiscounted contractual cash flows):

			Due within		
	1 Year	2 Years	3 Years	Over 4 Years	Total
	$	$	$	$	$
Accounts payable and accrued liabities	182,104	-	-	-	182,104

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash and cash equivalents, short-term investments, receivables and due from related parties. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash and cash equivalents as substantially the entire amount is held at a single major Canadian financial institution. Credit risk on cash and cash equivalents and short-term investments is minimized by depositing with only reputable financial institutions. There is also concentration of credit risk from the balance due from related parties which share common directors with Stakeholder. Management has reviewed the receivable balances and determined that the balances are collectible; accordingly there has been no allowance for doubtful accounts recorded.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The statement of financial position carrying amounts for cash and cash equivalents, restricted cash, receivables and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

12. CONTINGENT LIABILITIES

The Company has received a letter of default from one of its contractors. No legal action by the Company or the aforementioned contractor has commenced as of yet. In management's view, these claims as set out within the letter of default are not as a result of the Company's actions and should not have a material adverse effect on the financial position of the Company. Although no assurances can be made as to the ultimate outcome, management feels that any accrued amounts within its books and records are sufficient and that no additional provisions are required within these financial statements. Losses, if any, will be recorded in the statement of comprehensive loss in the year that such losses are determinable.

13. SUBSEQUENT EVENTS

On March 8, 2017, Stakeholder announced it had entered into an arrangement with Mountain View Gold Inc. ("MVG") to earn a 100% interest in its Goldstorm property located in Elko County, Neveda. To earn the initial 40% interest on the property, the Company must pay $40,000 and issue 1,250,000 common shares, issue an additional 1,250,000 common shares on the nine-month anniversary of the contract with MVG, and incur exploration expenditures of not less than $750,000 within 12 months of the effective date of the agreement. A further 40% ("Second Option") can be earned by issuing to MVG 1,750,000 common shares on the date of the exercise of the Second Option, issue an additional 1,750,000 common shares on the three-month anniversary date from the exercise of the Second Option, and incur exploration expenditures of not less than $750,000 within nine months of the date of the exercise of the Second Option. The final 20% ("Third Option") can be earned by either paying to MVG cash consideration equal to $20 per ounce of gold or gold equivalent multiplied by the total ounces of gold or gold equivalent (measured, indicated and inferred) on the property as set out in a technical report, to be dated no later than 60 days prior to the exercise date of the Third Option, or (ii) issuing to MVG 3,000,000 common shares. The transactions contemplated by the Agreement are conditional upon and subject to the approval of the TSX Venture Exchange.

On March 13, 2017, the Company issued 200,000 common shares in exchange for services of $87,000.