Copperbank Resources Corp.

Consolidated Financial Statements

Years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF COPPERBANK RESOURCES CORP.

We have audited the accompanying consolidated financial statements of Copperbank Resources Corp., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016 and the consolidated statements of comprehensive loss, changes in 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 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 consolidated 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 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 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 audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Copperbank Resources Corp. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years 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 describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 17, 2018

Vancouver
7th Floor 355 Burrard St
Vancouver, BC V6C 2G8
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Smythe LLP | smythecpa.com

Copperbank Resources Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**December 31, 2017**	**December 31, 2016**
		$	$
Assets			
Current assets			
Cash and cash equivalents		83,607	47,316
Receivables		52,464	20,329
Prepaid expenses and deposit	4	47,691	9,251
		183,762	76,896
Note receivable	7	8,326	15,141
Reclamation deposit	5	2,509	2,685
Resource properties	5	7,305,080	4,634,075
Total Assets		7,499,677	4,728,797
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		381,875	209,359
Due to related parties	6	29,994	26,231
		411,869	235,590
Shareholders' equity			
Share capital	4	17,141,602	13,519,605
Reserves		22,743,237	22,254,306
Deficit		(32,797,031)	(31,280,704)
		7,087,808	4,493,207
Total Liabilities and Shareholders' Equity		7,499,677	4,728,797

Approved and authorized for issuance by the Board of Directors on April 17, 2018

"Tony Ricci"
Director

"Gianni Kovacevic "
Director

See accompanying notes to the consolidated financial statements

Copperbank Resources Corp.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

For the year ended December 31,	**Note**	**2017**	**2016**
		$	$
EXPENSES			
Amortization		–	256
Consulting and management fees	6	441,532	326,656
Filing fees and shareholders' communications		25,592	19,370
Insurance		8,861	3,282
Mineral property maintenance	5b	48,110	46,848
Office and administration		33,065	14,554
Professional fees		93,510	25,990
Promotion, advertisement and shareholder relations		298,027	163,699
Rent	6	45,917	28,104
Share-based payment	4,6	412,326	36,122
Travel		135,896	66,243
		(1,542,836)	(731,124)
Other items:			
Foreign exchange		(8,510)	–
Gain on disposal of equipment previously written off	7	–	33,113
Gain on debt settlement	4	35,019	63,283
Total other items		26,509	96,396
Net loss for the year		(1,516,327)	(634,728)
Items that maybe reclassified subsequently to profits or loss:			
Exchange loss on translating foreign operations		(995)	(10,980)
Comprehensive loss for the year		**(1,517,322)**	**(645,708)**
Loss per share, basic and diluted		**(0.01)**	**(0.00)**
Weighted average number of common shares outstanding		**167,469,019**	**140,069,359**

See accompanying notes to the consolidated financial statements

Copperbank Resources Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars, except for the number of common shares)

	Common shares		**Reserves**					**Total**
	Number	**Amount**	**Warrants**	**Options**	**Other**	**Accumulated other comprehensive loss**	**Deficit**	
		$	**$**	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2015	**133,098,990**	**12,931,471**	**2,672,391**	**173,287**	**16,182,235**	**3,201,251**	**(30,645,976)**	**4,514,659**
Issuance of shares for cash	7,500,000	300,000	–	–	–	–	–	300,000
Issuance of shares for debt	3,328,340	153,134	–	–	–	–	–	153,134
Issuance of shares for resource property option payment	1,687,500	135,000	–	–	–	–	–	135,000
Shared-based payment	–	–	–	36,122	–	–	–	36,122
Exchange difference on translating foreign operation	–	–	–	–	–	(10,980)	–	(10,980)
Net loss for the year	–	–	–	–	–	–	(634,728)	(634,728)
Balance, December 31, 2016	**145,614,830**	**13,519,605**	**2,672,391**	**209,409**	**16,182,235**	**3,190,271**	**(31,280,704)**	**4,493,207**
Share-based payments	–	–	–	412,326	–	–	–	412,326
Issuance of shares for cash, net	33,840,036	3,252,766	77,600	–	–	–	–	3,330,366
Issuance of shares for debt	3,376,922	369,231	–	–	–	–	–	369,231
Exchange difference on translating foreign operation	–	–	–	–	–	(995)	–	(995)
Net loss for the year	–	–	–	–	–	–	(1,516,327)	(1,516,327)
Balance, December 31, 2017	**182,831,788**	**17,141,602**	**2,749,991**	**621,735**	**16,182,235**	**3,189,276**	**(32,797,031)**	**7,087,808**

See accompanying notes to the consolidated financial statements

Copperbank Resources Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Year ended December 31,	**2017**	**2016**
	$	$
Operating Activities		
Net loss for the year	(1,516,327)	(634,728)
Items not involving cash		
Amortization	–	256
Gain on disposal of equipment previously written off	–	(33,113)
Share-based payments	412,326	36,122
Gain on debt settlement	(35,019)	(63,283)
Foreign exchange	8,510	–
Changes in non-cash working capital		
Prepaid expenses and deposits	(35,658)	88,914
Receivables	(32,135)	(13,849)
Accounts payable and accrued liabilities	221,617	(6,186)
Due to related party	209,063	218,230
Cash Used in Operating Activities	(767,623)	(407,637)
Financing Activities		
Shares issuance for cash	3,336,006	300,000
Share issuance costs	(5,640)	–
Cash Provided by Financing Activities	3,330,366	300,000
Investing Activities		
Proceeds from sale of equipment, net	–	203,972
Note receivable	6,018	–
Expenditure on resource properties	(2,523,938)	(160,735)
Cash Provided by (Used in) Investing Activities	(2,517,920)	43,237
Effect of Change in Foreign Currency	(8,532)	(3,057)
Net Increase (Decrease) in Cash and Cash Equivalents	36,291	(67,457)
Cash and Cash Equivalents, Beginning of Year	47,316	114,773
Cash and Cash Equivalents, End of Year	**83,607**	**47,316**

See accompanying notes to the consolidated financial statements

SUPPLEMENTAL CASH FLOW INFORMATION (Note 11)

1. NATURE OF OPERATIONS AND GOING CONCERN

Copperbank Resources Corp. (the "Company" or "Copperbank") was incorporated on October 21, 2014 under the *Business Corporations Act* (British Columbia). The Company's registered office is Suite 2080 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. The Company's head office and principal address is located at Suite 2706 - 1011 West Cordova Street, Vancouver, British Columbia, V6B 0C2. The Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "CBK", and its principal business is the acquisition and development of mineral properties.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. At December 31, 2017, the Company has a working capital deficit of $228,107 (2016 - $158,694) and recurring losses since inception. The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements or a combination thereof to meet its administrative costs and to continue to explore and develop its mineral properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that cast 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 is in significant doubt.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and maintain an adequate level of financial resources to discharge its ongoing obligations. Management seeks to raise capital, when necessary, to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management's plan will be successful, as it is dependent on prevailing capital market conditions and the availability of other financing opportunities.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies below have been applied consistently by the Company and its subsidiary for all periods presented.

Basis of preparation

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

These consolidated financial statements incorporate the accounts of the Company and its wholly owned subsidiaries, Enexco International Inc. ("Enexco US") (Nevada), 1016079 B.C Ltd. (British Columbia) and Copperbank Resources Alaska Inc. (Alaska). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant estimates and judgments

Apart from making estimates and assumptions as described below, the Company's management makes critical judgments in the process of applying its accounting policies that have a significant effect on the amounts recognized in the Company's consolidated financial statements. The significant judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimation uncertainties, that have the most significant effect include, but are not limited to:

- The indicators of impairment of property and equipment and resource properties

  Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property and equipment and resource properties.

  Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of resource properties may exceed its recoverable amount. The retention of regulatory permits and licenses; the Company's ability to obtain financing for exploration and development activities and its future plans on the resource properties; current and future metal prices; and market sentiment are all factors considered by the Company.

  In respect of the carrying value of property and equipment recorded on the consolidated statements of financial position, management has determined that it continues to be appropriately recorded, as there has been no obsolescence or physical damage to the assets and there are no indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

- The determination of the Company and its subsidiaries' functional currency

  The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

- The recognition of deferred income tax assets and liabilities

  The Company has not recognized a deferred tax asset as management believes that it is not probable that taxable profit will be available against which a deductible temporary difference can be utilized.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting period. Significant areas requiring the use of management estimates include:

- The provision for income taxes.
- The inputs used in the Black-Scholes option pricing model to calculate the fair value of options and warrants.
- The completeness of asset retirement and environmental obligations.
- The recoverable value of resource properties.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant estimates and judgments (continued)

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. The calculation of diluted loss per share excludes the effects of conversion or exercise of options and warrants if they would be anti-dilutive.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities.

The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Fair value through profit or loss – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company designates its cash and cash equivalents as FVTPL assets.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company designates its receivables and note receivable as loans and receivables.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income (loss). The Company does not have any held-to-maturity financial assets.

Available-for-sale – These consist of non-derivative financial assets that are designated as available-for sale or are not suitable to be classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within twelve months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income (loss), except for impairment losses and foreign exchange gains and losses on monetary financial assets. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of significant or prolonged decline in value, the amount of the loss is removed from equity and recognized in net income (loss). The Company does not have any available-for-sale financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

FVTPL – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss. The Company does not have any FVTPL financial liabilities.

Other financial liabilities – This category includes non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the consolidated statement of comprehensive loss over the period to maturity using the effective interest method. The Company designates its accounts payable and accrued liabilities and due to related parties as other financial liabilities.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency. The functional currency of Enexco US is the US dollar and the functional currency of Copperbank Resources Alaska Inc. (Alaska) and 1016079 B.C Ltd. (British Columbia) is the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation (continued)

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency will be translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recorded to the Company's other comprehensive loss.

Resource properties

Costs directly related to the exploration and evaluation of resource properties are capitalized once the legal rights to explore the resource properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the unit-of-production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Resource properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as resource property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of resource property.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets (the (CGU), where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its value in use) to which the assets belong.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss for the period, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions on reserves and expected future production revenues and expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (the CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Non-monetary transactions

Shares issued for non-monetary consideration are valued at the fair value of the assets received or services rendered or the quoted market price at the date of issuance, whichever is determined to be the more reliable measure.

Unit issuance

Proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the announcement date of the unit offering and any residual remaining is allocated to common share purchase warrants.

Share-based payments

The Company has a stock option plan that is described in Note 4. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to option reserve. Consideration received on the exercise of stock options is recorded as share capital and the related amount originally recorded in option reserve is transferred to share capital. For those unexercised options that expire, the recorded value is transferred to deficit.

Cash equivalents

Cash equivalents consist of a cashable guaranteed investment certificate that is readily convertible into a known amount of cash.

Provision for closure and reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of resource properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

As at December 31, 2017, the Company has deposited $2,509 (US$2,000) with the Bureau of Land Management and the State of Nevada for the estimated reclamation cost of exploration permitted to date for the Contact property in Nevada.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Accounting standards issued but not yet adopted

A number of new standards, amendments to standards, and interpretations are not yet effective as of December 31, 2017, and have not been applied in preparing these consolidated financial statements. These new standards are being evaluated but are not expected to have a material effect on the consolidated financial statements of the Company. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the discussion below.:

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: “amortized cost”, “fair value through other comprehensive income”, or “fair value through profit or loss” (default). Equity instruments are classified and measured as “fair value through profit or loss” unless upon initial recognition elected to be classified as “fair value through other comprehensive income”.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting standards issued but not yet adopted (continued)

IFRS 9 *Financial Instruments (continued)*

- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

Applicable to the Company's annual period beginning January 1, 2018.

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Applicable to the Company's annual period beginning January 1, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting standards issued but not yet adopted (continued)

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 *Share-based Payment*)

The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Applicable to the Company's annual period beginning January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

IFRIC 22 provides guidance on how to determine the "date of the transaction" for purposes of identifying the exchange rate to use in transactions within the scope of IAS 21 *The Effects of Changes in Foreign Exchange Rates* involving the payment or receipt of consideration in advance.

The main features of IFRIC 22 are as follows:

- An entity uses the exchange rate on the date that the advanced foreign currency consideration is paid or received to translate the related asset, expense or income upon initial recognition.
- When there are multiple advance payments or receipts, the entity determines this date for each such payment or receipt.

Applicable to the Company's annual period beginning January 1, 2018.

4. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended December 31, 2017, the Company:

- Issued 22,500,000 common shares through a private placement at a price of $0.08 per share for gross proceeds of $1,800,000. Finder's fees of $5,640 were paid on the financing;
- Issued 4,166,667 common shares through a private placement at a price of $0.12 per share for gross proceeds of $500,000.
- Issued 5,173,366 units through a private placement at a price of $0.15 per unit for gross proceeds of $776,005. Each unit consists of one common share and a warrant that is exercisable at $0.25 per share for a five-year period after issuance. If common shares of the Company trade at $0.40 per share for twenty consecutive trading days, the Company can accelerate the conversion of these warrants. The Company has applied the residual method and allocated $698,405 and $77,600 to share capital and reserve for warrants, respectively.
- Issued 2,000,003 common shares through a private placement at a price of $0.13 per share for gross proceeds of $260,001.

(Expressed in Canadian dollars)

4. SHARE CAPITAL (Continued)

b) Issued and outstanding (continued)

- Issued 3,376,922 common shares to the Company's officers and consultants for the settlement of $401,468 a portion of accounts payable and related party payable. The fair value of these common shares was $369,231 and the Company recorded a gain on debt settlement of $35,019.

During the year ended December 31, 2016, the Company:

- Issued 7,500,000 common shares through a private placement at a price of $0.04 per share for gross proceeds of $300,000.
- Issued 3,328,340 common shares to the Company's officers for the settlement of $216,417 accounts payable. The fair value of these common shares was $153,134 and the Company recorded a gain for debt settlement of $63,283.
- Issued 1,687,500 to the optionor of the Company's Pyramid property for the settlement of accounts payable of $135,000.

c) Warrants

Warrants activity for the years ended December 31, 2017 and 2016 is as follows:

	Number outstanding	Expiry date	Exercise price
Outstanding and exercisable, December 31, 2016 and 2015	74,238,001	October 20, 2019	$0.50 per share
Issued	5,173,366	August 21, 2022	$0.25 per share
Outstanding and exercisable, December 31, 2017	79,411,367		

As at December 31, 2017, the weighted average exercise price and remaining life of these warrants as at December 31, 2017 was $0.48 (2016 - $0.50) per share and 1.99 (2016 – 3.91) years.

d) Options

The Company has a "rolling" stock option plan (the "Plan") that allows the Company to grant options to its employees, directors, consultants and officers. Under the terms of the Plan, the exercise price of each option will not be lower than the lowest exercise price permitted by the applicable stock exchange. The Plan allows for a maximum of 10% of outstanding shares to be issued.

Options have a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant or officer, and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of death, the option terminates at the earlier of twelve months after the date of death and the expiration of the option period.

During the year ended December 31, 2017, the Company granted the following stock options:

- 6,650,000 stock options with an exercise price of $0.10 per option and an expiry date of February 24, 2022; and
- 650,000 stock options with an exercise price of $0.13 per option and an expiry date of July 28, 2022.

These options will vest semi-annually in a 24-month period.

The Company recognized stock-based payments of $412,326 during the year ended December 31, 2017 (2016 - $36,122).

(Expressed in Canadian dollars)

4. SHARE CAPITAL (Continued)

d) Options (continued)

The Company used the Black-Scholes option pricing model and the following assumptions to determine the fair values of the stock options:

	2017	2016
Risk-free interest rate	1.14%	0.69%
Expected life of options	5 years	5 years
Annualized volatility	216%	210%
Dividend rate	0.00%	0.00%

During the year ended December 31, 2017, 1,700,000 options were cancelled due to the resignation of former directors.

Options activity for the year ended December 31, 2017 and 2016 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2015	3,850,000	$0.10
Granted	500,000	$0.05
Outstanding, December 31, 2016	4,350,000	$0.09
Granted	7,300,000	$0.10
Cancelled	(1,700,000)	$0.10
Outstanding, December 31, 2017	9,950,000	$0.10
Exercisable, December 31, 2017	5,912,500	$0.10

As at December 31, 2017 and 2016, the following stock options were outstanding:

		Number of Options	
Expiry Date	Exercise Price	**2017**	**2016**
February 5, 2020	$ 0.10	2,050,000	3,350,000
June 8, 2020	$ 0.10	500,000	500,000
April 11, 2021	$ 0.05	500,000	500,000
February 24, 2022	$0.10	6,250,000	-
July 28, 2022	$0.13	650,000	-

The remaining contractual life of the options as at December 31, 2017 was 3.63 (2016 – 3.27) years.

(Expressed in Canadian dollars)

5. RESOURCE PROPERTIES

	Pyramid, Alaska $
Balance, December 31, 2015	4,150,362
Annual option fees and maintenance of permits	483,713
Balance, December 31, 2016	4,634,075
Annual option fees and maintenance of permit	145,359
Infrastructure study	44,927
Report and analysis	85,945
Drilling	2,394,774
Balance, December 30, 2017	7,305,080

a) Pyramid property, Alaska

The Company, through an amalgamation with Full Metal Minerals (USA) Inc. ("Full Metal"), acquired its interest in the Pyramid Project in 2014. Full Metal has an option agreement ("Pyramid Agreement") with The Aleut Corporation ("TAC"), an Alaska Regional Native Corporation for the acquisition of a 100% interest in subsurface mineral rights covering the Pyramid project.

The commitment related to the Pyramid property is as follows:

1) Pay the following cash payments:

Date (on or before)	Amount (USD)$	
January 1, 2011	35,000	(paid)
January 1, 2012	40,000	(paid)
January 1, 2013	45,000	(paid)
January 1, 2014	50,000	(paid)
January 1, 2015	55,000	(paid)
January 1, 2016	60,000	(paid)
January 1, 2017	60,000	(shares issued in lieu of cash in 2016)

In addition to the cash payment above, the Company agrees that during the option period, the Company will pay US$20,000 per period noted above for the rights to use materials on the property.

2) Incur $4,500,000 of exploration expenditures by December 31, 2016, which has been met.

At any time prior to December 31, 2016, the Company could have entered into a mining lease with TAC. Upon entry into the mining lease, the Company will make annual advanced royalty payments escalating from US$25,000 in the first year to US$400,000 on the sixteenth anniversary and subsequent years. In the event of the Company delivering a feasibility study, the Company will transfer 100,000 of its own common shares to TAC, subject to approval from the TSX Venture Exchange. Upon commencement of commercial production, the Company will pay a net smelter return ("NSR") royalty to TAC of 2.5% for all commodities, except for gold and other precious metals. For gold and other precious metals, the Company will pay a sliding scale NSR royalty of 2% to 5% depending on the price of gold.

The Company has not entered into a mining lease with TAC as at December 31, 2017.

5. RESOURCE PROPERTIES (Continued)

a) Pyramid property, Alaska (continued)

Option agreement with Antofagasta Minerals

On August 6, 2010, Full Metal entered into an option agreement with Antofagasta Minerals to explore the Pyramid property claims. Antofagasta Minerals can earn an initial 51% interest by fulfilling the following:

1) Pay a total of US$200,000 by August 20, 2014 (received); and
2) Incur a total of US$6,000,000 in exploration expenditures by August 20, 2014 (incurred).

During the year ended May 31, 2013, Antofagasta Minerals completed all required cash payments and exploration expenditures, and therefore earned a 51% interest in the Pyramid property. All exploration expenditures were incurred by the Company and subsequently reimbursed by Antofagasta Minerals. The schedule of Pyramid mineral property costs does not include these costs.

Antofagasta Minerals can further earn an additional 14% interest for a total aggregate 65% interest by preparing and delivering at its sole cost, a scoping study costing a minimum of US$4,000,000 in expenditures within two years of earning a 51% initial interest. Antofagasta Minerals can then earn an additional 15% interest for a total 80% interest by funding at its sole cost a feasibility study on the Pyramid property project within two years after obtaining the additional 15% interest. Antofagasta Minerals is also required to reimburse the Company for certain of its obligations relating to the Aleut Agreement – Pyramid, the Shumagin Letter Agreement and the TDX Agreement (collectively, the “Property Agreements”).

Reacquisition of Antofagasta Minerals’ interest
On March 5, 2014 (the “Assignment Date”), Full Metal reacquired the 51% interest in the Pyramid property (the “Assignment Agreement”) previously earned by Antofagasta Minerals under the 2010 option agreement discussed above.

i. Certain provisions in the Assignment Agreement, if triggered, would require the First Assignment Payment to become due and payable within 15 days after the occurrence of an accelerating event. The accelerating event is defined in the Assignment Agreement as not maintaining in good standing, one or all of, the Property Agreements, with the term “good standing” having a meaning as defined in each of the Property Agreements regarding the terms and conditions of default.

ii. Shumagin Agreement – Pyramid Surface Rights:

On August 5, 2011, Full Metal and Shumagin Corporation, an Alaska Native Village Corporation, signed an agreement for a surface rights mining Exploration Agreement and Option to Lease in respect of the Pyramid property. The agreement terms include annual cash payments totaling US$290,000 through December 31, 2016 (US$70,000 paid, US$50,000 of which was paid by Antofagasta Minerals).

As at December 31, 2016, a payable of $107,416 (US$80,000) was accrued, which was fully paid in 2017.

(Expressed in Canadian dollars)

5. RESOURCE PROPERTIES (Continued)

a) Pyramid property, Alaska (continued)

iii. TDX Agreement – Pyramid Surface Rights:

On July 15, 2010, Full Metal and TDX Pyramid LLC ("TDX Pyramid"), an affiliate of an Alaska Native Village Corporation, signed an Exploration Agreement with Option to Lease covering surface lands at the Pyramid property. Under this agreement, the Company must make an initial option payment of US$15,000 (paid by Antofagasta Minerals) upon the effective date of the agreement, and annual cash payments totaling US$171,000 over seven years, of which US$52,000 has been paid from 2012 through 2014 (paid by Antofagasta Minerals). At any time prior to December 31, 2016, the Company may enter into a Lease Agreement with TDX Pyramid. On or before the effective date of the lease and then on or before each anniversary during the term of the lease until there is commercial production, the Company shall pay to TDX Pyramid an annual rental equal to 10% of the fair market value of the lease area.

The Company terminated the surface right agreement during 2016 with US$100,000 of which $40,000 was paid in fiscal 2016 and the remaining was paid in early 2017.

In July 2017, the Company entered into an amendment for the Assignment Agreement with respect to its interest in the Pyramid Property with Antofagasta Minerals. Total consideration, after the amendment is comprised of the following:

- Payment of US$ 150,000 cash and issuance of 1,000,000 common shares of the Company to Antofagasta Minerals by March 4, 2019.
- Payment of US$ 5,500,000 cash upon the occurrence of a construction decision in respect of the Pyramid Project.
- Payment of US$2,500,000 cash upon the commencement of commercial production in respect of the Pyramid Project.

b) Contact Property, Nevada

The Company owns a 100% interest in the Contact property located in Elko County, Nevada.

The Company has deposited $2,509 (2016 - $2,685) with the Bureau of Land Management, Nevada, for potential reclamation costs. This property was fully impaired during fiscal 2015. Since the impairment, the Company has been paying all the required permit maintenance to maintain the title in good standing.

6. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017 and 2016, the Company incurred the following transactions with key management members and the directors of the Company:

	Nature	2017 $	2016 $
Key management	Rent	24,000	18,000
Key management	Management fees	331,048	252,000
Directors	Technical services for the mineral properties	57,786	17,463
Key management and directors	Share-based payments	243,464	16,253

Included in the Company's due to related party is an amount owing to key management members and directors of $29,994 (2016 - $26,231). Due to related party has the same terms as the Company's trade payable, which is unsecured and non-interest-bearing and due with no specific terms.

(Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS (Continued)

The Company issued 1,775,629 common shares to its CEO and CFO for the settlement of payables totaling $205,300 (Note 4(b)). The Company also recorded a prepaid of $10,500 to a director of the Company.

During the year ended December 31, 2017, the CEO advanced $400,000 to the Company for a future private placement. The amount was settled with the issuance of 5,000,000 common shares on May 11, 2017, which was part of the 22,500,000 share issuance for $0.08 per share under a private placement (Note 4(b)).

7. NOTE RECEIVABLE

During the year ended December 31, 2016, the Company sold a vehicle was fully depreciated for total proceeds of US$25,000. The Company received US$10,000 cash, $1,000 rent credits and a US$14,000 promissory note. The promissory note was paid through the issuance of a five-year note receivable bearing interest at 4% per annum for US$14,000, with blended monthly payments of $257. During the year ended December 31, 2017, the note receivable holder made additional payments, and the total payments during 2017 was US$5,000.

As at December 31, 2017, the note receivable balance is $8,326 (2016 - $15,141). During the year ended December 31, 2017, $468 (2016 – $434) in interest related to the note receivable was paid.

8. SEGMENTED INFORMATION

The Company operates primarily in one business segment, which is the exploration and development of resource properties located in the United States. The Company's non-current assets was $7,307,589 (2016 - $4,636,760), which comprised mainly of resource properties and a reclamation bond that are in the United States.

9. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the statutory income tax rate of 26% (2016 - 26%) to income before income taxes. The reasons for the differences are as follows:

	2017 $	2016 $
Loss before income tax	(1,516,327)	(634,728)
Statutory income tax rate	26%	26%
	(394,245)	(165,029)
Items not deductible for tax purposes	105,289	9,392
Change in timing differences	101,749	39,716
Unrecognized tax benefits	187,207	115,921
Total income taxes	-	-

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at December 31, 2017 and 2016 are presented below:

	2017	2016
Deferred income tax assets		
Non-capital losses	$ 636,476	$ 519,333
Deferred income tax liability		
Resource properties	(636,476)	(519,333)
Net deferred income tax liabilities	$ -	$ $ -

(Expressed in Canadian dollars)

9. INCOME TAXES (Continued)

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets have been met.

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2017	2016
Resource properties	$ 16,208,740	$ 16,208,740
Non-capital losses	9,365,048	8,550,491
Property and equipment	485	488
Share issuance cost	49,467	89,912
Capital losses	41,848	41,845
Unrecognized deductible temporary differences	$ 25,665,588	$ 24,891,476

As at December 31, 2017, the Company has US non-capital losses of approximately $7.3 million that may be applied to reduce future US taxable income. The Company also has Canadian non-capital losses of approximately $4.4 million that may be applied to reduce future Canadian taxable income expiring in 2029.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to a number of financial and market risks, including credit, interest rate, liquidity and commodity risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities. There was no change in the management of the financial risks compared to the prior year.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in a major financial institution. As at December 31, 2017, the Company had cash equivalents of $2,300 in term deposits (2016 - $2,300).

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements and amounts from related parties.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (Continued)

At December 31, 2017, the Company had cash and cash equivalents of $83,607 (2016 - $47,316) available to apply against short-term business requirements and current liabilities of $411,869 (2016 - $235,590). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of year-end.

Commodity risk

The Company is subject to commodity price risk arising from the fluctuation of metal price beyond the Company's control. The Company may have difficulties to identify and acquire economically viable projects for the Company to invest in if metal prices are depressed in an extended period.

Interest rate risk

The Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of December 31, 2017 and 2016, the Company has no interest-bearing debt with long-term maturities, and therefore does not believe that interest rate risk is significant. The Company does not use derivative instruments to reduce its interest rate risk as the Company’s management believes that the likely financial impact of interest rate changes does not justify using derivatives.

Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company’s assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at December 31, 2017 and 2016, the Company’s net exposure to foreign currency risk on its financial instruments is as follows:

	2017	2016
Cash	US$ 1,402	US$ 1,964
Other receivables	6,637	11,856
	US$ 8,039	US$ 13,820
Canadian dollar equivalent	$ 10,085	$ 18,556

A 5% (2016 - 5%) change in the US dollar against the Canadian dollar at December 31, 2017 would result in a change of approximately $500 (2016 - $927) in comprehensive loss.

Fair value

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are: Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company does not have financial instruments measured at fair value.

The Company’s financial instruments consists of cash and cash equivalents, other receivable (net of GST receivable), accounts payable and accrued liabilities, and due to related parties. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

(Expressed in Canadian dollars)

11. SUPPLEMENTAL CASH FLOW INFORMATION

	2017	2016
Non-cash transactions during the year:		
Common shares issued for resource property's option payments	$ -	$ 135,000
Common shares issued for related party debt settlement	$ 205,300	$ 153,134
Common shares issued for accounts payable debt settlement	$ 196,168	$ -
Common shares issued for prepaid	$ 2,782	$ -
Resource properties included in accounts payable and accrued liabilities	$ 335,045	$ 187,978
Collection of receivable related to disposition of equipment	$ -	$ 203,972
Interest received	$ 468	$ 434
Interest paid	$ -	$ -
Income tax	$ -	$ -

12. EVENTS AFTER THE REPORTING DATE

On January 4, 2018, the Company entered into a first amendment ("First Amendment") to the Exploration Agreement with Option to Lease (Pyramid Project) between the Aleut Corporation ("TAC"), Full Metal and the Company. The First Amendment is effective December 31, 2017. The exploration area has been modified to a division into the Pyramid District Lands ("Pyramid Lands") and San Diego Bay District ("SDB Lands"). The option period has been modified to (i) December 31, 2019 for the Pyramid Lands and (ii) December 31, 2020 for the SDB Lands. The following additional option payments and minimum exploration expenditures are required:

Option Payments

- Before March 10, 2018, the Company shall pay TAC US$65,000 in cash;
- Before March 10, 2019, the Company shall pay TAC US$70,000 in cash; and
- Before March 10, 2020, the Company shall pay TAC US$70,000 in cash.

Exploration Expenditures

- For the year ending December 31, 2018, the Company shall spend (i) US$1,000,000 on the Pyramid Lands and (ii) US$300,000 on the SDB Lands;
- For the year ending December 31, 2019, the Company shall spend (i) US$1,000,000 on the Pyramid Lands and (ii) US$300,000 on the SDB Lands; and
- For the year ending December 31, 2020, the Company shall spend US$500,000 on SDB Lands.