STAKEHOLDER GOLD CORP.
(AN EXPLORATION STAGE COMPANY)

AUDITED FINANCIAL STATEMENTS

For the Years Ended December 31, 2015 and 2014

Independent Auditors' Report

To the Shareholders of Stakeholder Gold Corp.

We have audited the accompanying financial statements of Stakeholder Gold Corp., which comprise the statements of financial position as at December 31, 2015 and 2014, and the 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained 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, 2015 and 2014, 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 1 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

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 26, 2016

STAKEHOLDER GOLD CORP.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF FINANCIAL POSITION
(In Canadian dollars)

	December 31 2015	December 31 2014
	$	**$**
ASSETS		
Current		
Cash and cash equivalents	75,185	748,676
Restricted cash (note 3)	24,244	24,085
HST receivable	214,020	135,796
Prepaid expenses	13,975	6,143
	327,424	914,700
Non-current		
Exploration and evaluation assets (notes 4 and 8)	-	1,292,467
Total assets	**327,424**	**2,207,167**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	253,273	232,932
Total liabilities	253,273	232,932
EQUITY		
Capital stock (note 5)	7,544,766	7,399,057
Contributed surplus	1,337,346	881,868
Deficit	(8,807,961)	(6,306,690)
Total equity	74,151	1,974,235
Total liabilities and equity	**327,424**	**2,207,167**

Going Concern (note 1)
Subsequent Events (note 12)
Commitments (note 13)

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

On behalf of the Board:

"Signed"
Raymond F. Leach
Raymond F. Leach
Director

"Signed"
Robert Lelovic
Robert Lelovic
Director

STAKEHOLDER GOLD CORP.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF COMPREHENSIVE LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2015 and 2014
(In Canadian dollars)

	2015 $	2014 $
Expenses		
Management and consulting fees (note 8)	233,203	344,267
Investor and shareholder relation expenses	86,773	285,491
Professional fees (note 8)	23,367	21,636
Office expense	70,805	44,330
Exploration expenses	6,950	8,528
Stock-based compensation (note 5(d) and 8)	432,200	31,092
Impairment of exploration and evaluation assets (note 4)	1,648,442	-
Expenses before interest and premium paid on flow-through shares	2,501,740	735,344
Interest income	469	594
Premium paid on flow-through shares	-	23,462
Loss before income taxes	(2,501,271)	(711,288)
Income taxes (note 7)	-	-
Net loss and comprehensive loss	**(2,501,271)**	**(711,288)**
Basic and diluted net loss per share (note 11)	**(0.37)**	**(0.13)**
Weighted average number of common shares	**6,749,942**	**5,621,116**

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

STAKEHOLDER GOLD CORP.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2015 and 2014
(In Canadian dollars)

	Number of common shares issued	Capital Stock	Contributed surplus	Deficit	Total Equity
		$	$	$	$
Opening balance, January 1, 2015	**6,713,096**	**7,399,057**	**881,868**	**(6,306,690)**	**1,974,235**
Net loss and comprehensive loss	-	-	-	(2,501,271)	(2,501,271)
Issuance of stock options	-	-	432,200	-	432,200
Shares and warrants issued upon private placements	950,686	148,065	23,278	-	171,343
Share issuance costs	-	(2,356)	-	-	(2,356)
Balance at December 31, 2015	**7,663,782**	**7,544,766**	**1,337,346**	**(8,807,961)**	**74,151**
Opening balance, January 1, 2014	4,180,375	4,874,360	658,695	(5,595,402)	(62,347)
Net loss and comprehensive loss	-	-	-	(711,288)	(711,288)
Issuance of stock options	-	-	31,092	-	31,092
Exercise of stock options	220,000	396,000	(132,000)	-	264,000
Acquisition of interests in exploration and evaluation assets	200,000	250,000	-	-	250,000
Shares and warrants issued upon private placements	2,112,721	1,914,262	324,081	-	2,238,343
Share issuance costs	-	(12,103)	-	-	(12,103)
Premium paid on flow-through shares	-	(23,462)	-	-	(23,462)
Balance at December 31, 2014	**6,713,096**	**7,399,057**	**881,868**	**(6,306,690)**	**1,974,235**

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

STAKEHOLDER GOLD CORP.
(AN EXPLORATION STAGE COMPANY)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014
(In Canadian dollars)

	2015	**2014**
	$	**$**
Operating activities		
Net loss for the year	(2,501,271)	(711,288)
Items not involving cash:		
Stock-based compensation	432,200	31,092
Premium paid on flow-through shares	-	(23,462)
Impairment of exploration and evaluation assets	1,648,442	-
	(420,629)	(703,658)
Changes in operating assets and liabilities:		
HST receivable	(78,224)	(126,279)
Restricted cash	(159)	(24,085)
Prepaid expenses	(7,832)	(6,143)
Accounts payable and accrued liabilities	(70,000)	12,047
Cash flow (used in) operating activities	(576,844)	(848,118)
Investing activities		
Acquisition of exploration and evaluation assets	(265,634)	(913,377)
Cash flow (used in) investing activities	(265,634)	(913,377)
Financing activities		
Issuance of common shares and warrants	171,343	2,238,343
Share issuance costs	(2,356)	(12,103)
Exercise of options	-	264,000
Cash flows provided by financing activities	168,987	2,490,240
Net change in cash	(673,491)	728,745
Cash and cash equivalents, beginning of year	748,676	19,931
Cash and cash equivalents, end of year	**75,185**	**748,676**
Supplemental disclosure of cash flow information		
Interest received	469	594
Shares issued for the acquisition of exploration and evaluation assets	-	250,000
Exploration and evaluation assets included in accounts payable and accrued liabilities	90,341	129,090

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

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of Business

Stakeholder Gold Corp. (the ''Company'' or "Stakeholder"), was incorporated under the Canada Business Corporations Act and is a junior mining exploration company operating in Canada. The address of the registered office is 121 Richmond Street West, Suite 402, Toronto, Ontario, M5H 2K1. The Company's shares are listed on the TSX Venture Exchange ("TSXV") under the symbol SRC.

Going Concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or obtaining additional financing.

The Company's principal business activities include the acquisition, exploration, and development of mineral rights located in Canada. The business of mining, exploration and development involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation properties and development programs.

Although the Company has been able to obtain adequate financing in the past, there is no assurance that the Company will continue to obtain adequate financing in the future, or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production or proceeds from disposition of exploration and evaluation assets.

As of December 31, 2015 the Company incurred a net loss of $2,501,271 (2014 - $711,288) and had a deficit of $8,807,961 (2014 - $6,306,690). The Company had a positive working capital position of $74,151 as at December 31, 2015 (2014 - $681,768). These material uncertainties cast a significant doubt regarding the Company's ability to continue as a going concern.

The carrying amounts of assets and liabilities presented in the financial statements and the classification used in the statements of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), and were approved by the Board of Directors on April 26, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation
The accounting policies set out below have been applied consistently by the Company to all periods presented in these statements and are based on IFRS issued and outstanding as at the date the Board of Directors approved these financial statements for issue.

Presentation of the statements of financial position differentiates between current and non-current assets and liabilities. The statements of loss and comprehensive loss are prepared using an expense by nature classification.

Measurement Uncertainty
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

Significant areas requiring the use of estimates and assumptions include the valuation of HST receivable, valuation and impairment of mineral rights and provision for reclamation and rehabilitation. By their nature, these estimates and assumptions are subject to measurement uncertainty, and the impact of changes in estimates in the financial statements of future periods could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in (loss) earnings in the periods in which they become known.

Significant accounting judgments
The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements, are related to the economic recoverability of the mineral properties, impairment of financial assets, the provision for reclamation, when and if deferred taxes are recoverable and the assumption that the Company will continue as a going concern.

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

Cash and cash equivalents
Cash and cash equivalents include cash on deposit and highly-liquid short-term interest bearing investment accounts held with reputable financial institutions that are readily convertible to known amounts of cash with original maturities of less than 90 days.

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

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

i) Financial assets and liabilities at fair value through profit or loss

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. The Company at this time does not have any financial instruments in this category.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in profit or loss. Gains and losses arising from changes in fair value are presented in profit or loss in the period in which they arise. Financial assets and liabilities at fair value through profit and loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the end of the reporting period, which is classified as non-current.

ii) Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company at this time does not have any financial instruments in this category.

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive loss. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months.

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in profit or loss as part of interest expense or income. Dividends on available-for-sale equity instruments are recognized in profit or loss as part of other gains and losses when the Company’s right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive loss to profit or loss and included in other gains and losses.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments – Continued

iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables are comprised of cash and cash equivalents and are included in current assets due to their short-term, highly-liquid nature. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less a provision for impairment, if any.

iv) Held to maturity investments

Held to maturity investments are non-derivative financial assets with no fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured originally at fair value and then subsequently at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, the financial asset is measured at the estimated present value of future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment are recognized in profit or loss. The Company has designated restricted cash as held to maturity investments.

v) Other financial liabilities

Other financial liabilities at amortized cost are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Other financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

The Company has classified its accounts payable and accrued liabilities as other financial liabilities.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Revenue recognition

Interest income is recognized as it accrues using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

Comprehensive loss

Comprehensive loss is the change in equity of an enterprise during a period from transactions, events and circumstances other than those under the control of management and the owners. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company reports comprehensive loss in its statements of loss and comprehensive loss and in its statements of equity.

Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to the common shares of the Company by the weighted average number of common shares outstanding during the period. Diluted net loss per share is calculated by adjusting the loss attributable to common shareholders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares.

For the purpose of calculating diluted loss per share, an entity shall assume the exercise of dilutive options and warrants of the entity. The assumed proceeds from these instruments shall be regarded as having been received from the issue of common shares at the average market price of common shares during the period. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding options, warrants, agent warrants and reserved shares as explained in note 5.

Exploration and evaluation assets

Exploration and evaluation (“E&E”) expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in the statements of loss and comprehensive loss when they are incurred.

Once the legal right to undertake E&E activities has been obtained, the costs of acquiring mineral rights and expenses related to the E&E of mining properties less refundable tax credits and credits on duties related to these expenses are recognized as E&E assets. Expenses related to E&E include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the E&E phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in the statements of loss and comprehensive loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, E&E assets related to the mining property are transferred to property and equipment in mining assets under construction. Before the reclassification, E&E assets are tested for impairment and any impairment loss is recognized in the statements of loss and comprehensive loss before reclassification.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Exploration and evaluation assets - Continued

To date, neither the technical feasibility nor the commercial viability of a mineral resource has been demonstrated.

The Company has taken steps to verify title to the mining properties in which it holds an interest in accordance with industry practices for the current stage of exploration and development of such properties; however, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Impairment of exploration and evaluation assets

Whenever indicated necessary by facts and circumstances, or at least once a year, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment reviews for E&E assets are carried out on a project by project basis, with each project representing a potential single cash generating unit. Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the E&E assets of the related mining property are tested for impairment before these items are transferred to property and equipment. The impairment loss is the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statements of loss and comprehensive loss for the period.

When an impairment loss subsequently reverses, when it is justified by a change of circumstances, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognized in the statements of loss and comprehensive loss.

For the year ended December 31, 2015, management determined that there was an impairment of the Company's E&E assets for which an impairment charge of $1,648,442 (2014 - $nil) was recognized in the statements of loss and comprehensive loss. No reversal of impairment losses have been recognized for the reporting periods.

Income taxes

When applicable, tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive (loss) income or directly in equity. However, since the Company is in exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the end of the reporting period. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income taxes - Continued

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Equity-settled stock-based payments

The Company operates an equity-settled stock-based remuneration plan (stock options plan) for its eligible directors, officers, employees and consultants. The Company's plan does not feature any options for cash settlement.

All goods and services received in exchange for the grant of any stock-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value indirectly by reference to the fair value of the equity instruments granted. Where employees and others providing similar services are rewarded using stock-based payments, the fair value of these services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions. The model used by the Company is the Black-Scholes valuation model.

All equity-settled stock-based payments (except warrants to agents) are ultimately recognized as an expense in profit or loss or capitalized as an E&E asset, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Warrants to agents, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if stock options ultimately exercised are different to that estimated on vesting.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as capital stock. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to capital stock.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Provisions and contingent liabilities

Provisions are recognized when present obligations, as a result of a past event, will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations.

In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

At December 31, 2015 and 2014, the Company had no material provisions. All provisions, if any, are reviewed at the end of the reporting period and adjusted to reflect the current best estimate.

Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development 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 to the carrying amount of the asset, along with a corresponding liability, as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects 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 the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations, and their overall effect upon the Company, are not predictable.

2. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Non-monetary transactions

Transactions with no cash consideration are measured at the fair value of either the asset given up or the asset received, whichever is more reliably determinable.

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.

Future accounting pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's financial statements, but which may affect the financial statements, are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9—Financial Instruments

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in its final form in July 2014, and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. 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. The Company intends to adopt IFRS 9 on its effective date and has not reviewed the effects of this future policy change.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 Revenue from Contracts with Customers ("IFRS 15") was issued by the IASB in May, 2014. IFRS 15 provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted. The Company intends to adopt IFRS 15 on its effective date and has not reviewed the effects of this future policy change.

(In Canadian dollars)

3. RESTRICTED CASH

As at December 31, 2015, the Company's restricted cash balance of $24,244 (2014 – $24,085) related to guaranteed investment certificates securing the Company's corporate credit card.

4. EXPLORATION AND EVALUATION ASSETS

Details of exploration and evaluation assets for the years ended December 31, 2015 and 2014 are as follows:

Areas of interest	**Bass River**	**Total**
	$	**$**
Balance, January 1, 2015	1,292,467	1,292,467
Exploration and evaluation costs capitalized	355,975	355,975
Net additions of the year	1,648,442	1,648,442
Impairment	1,648,442	1,648,442
Balance, December 31, 2015	-	-

Areas of interest	**Bass River**	**Total**
	$	**$**
Balance, January 1, 2014	-	-
Acquisitions of mining rights:		
Shares issued to vendors	250,000	250,000
Option payments	64,177	64,177
	314,177	314,177
Exploration and evaluation costs capitalized	977,990	977,990
Net additions of the year	1,292,167	1,292,167
Impairment	-	-
Balance, December 31, 2014	1,292,167	1,292,167

4. EXPLORATION AND EVALUATION ASSETS - CONTINUED

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.

(In Canadian dollars)

5. EQUITY

(a) Capital

Authorized: Unlimited common shares

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 consolidated into 6,903,782 common shares. These financial statements have been retrospectively restated including loss per share and any share, warrant or option transaction issued and or otherwise convertible into shares to account for the Company's share consolidation.

Issued:

	Number of Shares	Value $
Balance at January 1, 2014	6,713,096	7,399,057
Shares issued on private placements (vi, vii)	950,686	148,065
Share issue costs	-	(2,356)
Balance at December 31, 2015	7,663,782	7,544,766
Balance at January 1, 2014	4,180,375	4,874,360
Acquisition of interests in exploration and evaluation assets (i)	200,000	250,000
Shares issued on private placements (ii, iii, iv and v)	2,112,721	1,914,262
Premium paid on flow-through shares	-	(23,462)
Exercise of stock options (d)	220,000	396,000
Share issue costs	-	(12,103)
Balance at December 31, 2014	6,713,096	7,399,057

(i) The Company issued 100,000 common shares at $0.50 per share and 100,000 common shares at $2.00 per share in connection with the Bass River acquisition (see note 4).

(ii) On March 7, 2014 the Company closed a non-brokered private placement of $700,000 through the issuance of 1,400,000 common shares at $0.50 per share. All common shares issued were subject to a four month hold period ending July 6, 2014.

(iii) On July 11, 2014 the Company closed a non-brokered private placement of $723,698 consisting of $469,500 of flow-through financing (issuance of 187,800 units priced at $2.50 with a two year half warrant priced at $3.50) and $254,198 of hard dollar financing (issuance of 127,099 units priced at $2.00 with a two year half warrant priced at $3.00). Two Company directors subscribed for a total of $300,000 (or 41%) of the funds raised, constituting 120,000 flow-through units. A commission comprised of $560 and 224 two year warrants priced at $3.50 was paid to Wolverton Securities Ltd for a portion of this financing.

The assumptions used to value the warrants were a stock price of $2.00, an expected life of two years, an interest rate without risk of 1.1%, no expected dividend yield, and an estimated volatility of 173.8% which results in a fair value of each warrant attached to a flow-through unit of $2.90 and a fair value of each warrant attached to a hard unit of $2.40.

5. EQUITY – CONTINUED

(a) Capital—Continued

(iv) On December 11, 2014 the Company closed a non-brokered private placement totalling $641,000. The private placement consisted of $35,000 of flow-through financing (issuance of 14,000 units priced at $2.50 with a two year half warrant priced at $3.50) and $606,000 of hard dollar financing (issuance of 303,000 units priced at $2.00 with a two year half warrant priced at $3.00). A commission of $1,600 was paid.

The assumptions used to value the warrants were a stock price of $1.30, an expected life of 2 years, an interest rate without risk of 1.1%, no expected dividend yield, and an estimated volatility of 177.7% which results in a fair value of each warrant attached to a flow-through unit of $3.00 and a fair value of each warrant attached to a hard unit of $2.60.

(v) On December 31, 2014 the Company closed a non-brokered private placement totaling $173,646. This private placement consisted of $60,000 of flow-through financing (issuance of 24,000 units priced at $2.50 with a two year half warrant priced at $3.50) and $113,646 of hard dollar financing (issuance of 56,822 units priced at $2.00 with a two year half warrant priced at $3.00).

The assumptions used to value the warrants were a stock price of $2.00, an expected life of 2 years, an interest rate without risk of 1.1%, no expected dividend yield, and an estimated volatility of 169.5% which results in a fair value of each warrant attached to a flow-through unit of $2.80 and a fair value of each warrant attached to a hard unit of $2.40.

(vi) 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 certain 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.

(vii) 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.

(In Canadian dollars)

5. EQUITY - CONTINUED

(b) Warrants

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

	For the year ended December 31, 2015		For the year ended December 31, 2014	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Balance, beginning of year	**356,360**	**3.20**	-	-
Warrants issued on private placements (5(a)(vi))	95,343	1.50	-	-
Warrants issued on private placements (5(a)(iii))	-	-	93,900	3.50
Warrants issued on private placements (5(a)(iii))	-	-	63,549	3.00
Warrants issued on private placements (5(a)(iv))	-	-	7,000	3.50
Warrants issued on private placements (5(a)(iv))	-	-	151,500	3.00
Warrants issued on private placements (5(a)(v))	-	-	12,000	3.50
Warrants issued on private placements (5(a)(v))	-	-	28,411	3.00
Warrants expired	-	-	-	-
Balance, end of year	**451,703**	**2.90**	356,360	3.20

(c) Agent warrants issued as compensation

A summary of changes in the Company's agent warrants issued as compensation in its equivalent number of common shares is presented below:

	For the year ended December 31, 2015		For the year ended December 31, 2014	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Balance, beginning of year	**224**	**3.50**	-	-
Warrants issued on private placements (5(a)(iii))	-	-	224	3.50
Expired	-	-	-	-
Balance, end of year	**224**	**3.50**	224	3.50

(d) Stock options

At the Company's Shareholder meeting held on December 4, 2015 the Company amended the stock option plan (the "Plan") such that participants who cease to be an eligible person will have their options expire in three months instead of the twelve months previously provided for. The Plan is a 10% rolling stock option plan. Under the Plan, the Board may, from time to time and at its discretion, grant to directors, officers, employees, management company employees or consultants of the Company options to acquire common shares of the Company, provided that the number of options granted does not exceed a maximum of 10% of the aggregate number of common shares of the Company issued and outstanding. Consequently, the number of common shares that are reserved under the Plan is automatically increased or decreased as the number

(In Canadian dollars)

5. EQUITY -CONTINUED

(d) Stock options - Continued

of issued and outstanding common shares of the Company increases or decreases. The options have a maximum term of five years and have no vesting period except for options granted to persons performing 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. All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash. The Plan must take into account the reserved shares due to the Arrangement relating to options of Hinterland (see (e) below).

On January 22, 2014, the Company granted 80,000 stock options to independent directors at an exercise price of $0.50 for five years. These options vested immediately. The total fair value of these options amounts to $31,092 and was recorded as stock-based compensation expense, the offsetting credit being recorded in contributed surplus. The assumptions used include stock price at the date of grant of $0.50, exercise price at date of grant of $0.50, an interest rate without risk of 1.55%, an expected life of the options of five years, no expected dividend yield, an estimated volatility of 107% and resulted in a fair value per option of approximately $0.38. The Company, upon the resignation of a director, has amended the expiry date of 40,000 options from January 31, 2019 to August 30, 2016.

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.

Stock options outstanding and exercisable:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		$	
40,000	40,000	0.50	August 30, 2016
40,000	40,000	0.50	January 31, 2019
230,000	230,000	2.50	January 14, 2020
310,000	310,000		

(In Canadian dollars)

5. EQUITY - CONTINUED

(d) Stock options - Continued

A summary of changes on the Company's stock options outstanding and exercisable is presented below:

	Number of options	Weighted average exercise price
Balance, January 1, 2015, exercisable	130,000	0.80
Issued	230,000	2.50
Cancelled	(50,000)	1.20
Balance, December 31, 2015, exercisable	**310,000**	**1.98**
Balance, January 1, 2014, exercisable	305,000	1.20
Issued	80,000	0.50
Exercised	(220,000)	1.20
Expired	(35,000)	1.20
Balance, December 31, 2014, exercisable	130,000	0.80

(e) Reserved shares

As per a Plan of Arrangement (the "Arrangement") with Hinterland, each pre-consolidation warrant and option holder of Hinterland will receive upon exercise 0.25 shares of Hinterland and 0.023125 shares of the Company. The warrants and options will keep the same expiry date. Hinterland will receive all the funds upon exercise and will redistribute 28% of the funds to the Company, subject to a minimum exercise price of $0.15 in the Company.

Pursuant to the Arrangement, the Company has a commitment to issue common shares upon the exercise of options and warrants of Hinterland.

The following table summarizes information about the reserved share commitment as at December 31, 2015:

Number of common shares reserved	Exercise price in Hinterland	Amount to be received from Hinterland	Expiry date
	$	$	
47,984	6.40	93,090	January 7, 2016*
47,984		**93,090**	

The options and warrants of Hinterland expired on January 7, 2016.

(In Canadian dollars)

5. EQUITY – CONTINUED

(e) Reserved shares - Continued

The following table summarizes activity related to the reserved shares commitment:

	For the year ended December 31, 2015		**For the year ended December 31, 2014**	
	Number of shares reserved	**Weighted average effective exercise price**	**Number of shares reserved**	**Weighted average effective exercise price**
		$		**$**
Balance, beginning of year	47,984	**1.90**	54,344	**1.90**
Expired	-	**-**	6,358	**1.50**
Balance, end of year	**47,984**	**1.90**	47,984	1.90

6. CAPITAL MANAGEMENT

As at December 31, 2015, the capital of the Company consists of the items included in equity of $74,151 (2014 - $1,974,235). The Company's objectives when managing capital are to safeguard its ability to continue its operations as well as its acquisition and exploration programs. As needed, the Company raises funds through private placements. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities until conditions improve. The Company does not have any long-term debt. There is no dividend policy. The Company has no externally imposed capital requirements, nor regulatory, nor contractual requirements, to which it is subject, except for those relating to flow-through private placements where the funds are restricted in use for exploration expenses.

7. INCOME TAXES

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 these benefits:

	December 31	
	2015	**2014**
	$	**$**
Non capital losses	2,040,760	1,538,240
Exploration and evaluation assets	5,120,390	3,543,860
Share issuance costs	11,070	68,680
Investment tax credits	52,000	52,000
Other assets	8,520	8,520
	7,233,740	**5,211,300**

(In Canadian dollars)

7. INCOME TAXES - CONTINUED

The Canadian non-capital losses carried forward will expire between 2031 and 2035. Exploration expenditures and other assets may be carried forward indefinitely. Share issue and financing costs will be fully amortized in 2019. Investment tax credits expire from 2031 and 2032.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation to key management

Key management includes directors, the chief executive officer and the chief financial officer. Key management compensation includes the following expenses:

	For the year ended December 31,	
	2015	**2014**
	$	**$**
Short-term compensation		
Management and consulting fees[1]	207,800	212,000
Professional fees	-	1,409
Total short-term compensation	207,800	213,409
Stock-based compensation	432,200	31,092
Total compensation	**640,000**	**244,501**

[1] $20,000 (2014 - $60,000) management and consulting fees was capitalized to exploration and evaluation assets.

In addition to the amounts listed above in the compensation to key management:

(a) The Company incurred management and consulting fees relating to exploration work of $80,000 (2014 – $240,000) which was capitalized to exploration and evaluation assets and rent of $27,284 (2014 – $11,101) charged by companies with common officers and/or directors.

(b) The Company issued nil (2014 – 200,000) common shares to a company controlled by officers and/or directors. The value of the common shares issued was $250,000 which was capitalized to exploration and evaluation assets.

(c) As at December 31, 2015 accounts payable and accrued liabilities include $95,016 (2014 – $13,500) due to officers and directors.

(d) During the year the Company made rental payments for equipment of $nil (2014 – $21,104) which was capitalized to exploration and evaluation assets charged by companies controlled by officers and/or directors.

(e) Included in accounts payable and accrued liabilities is $106,597 (2014 – $148,189) payable to companies controlled by officers and/or directors.

9. FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages these risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The term deposits bear interest at a fixed rate and the Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations. Because these financial assets are recognized at amortized cost, the fair value variations have no impact on profit (loss).

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash and term deposits. The Company has no trade accounts. The exposure to credit risk for cash and cash equivalents and term deposits is considered negligible since the counterparties are reputable banks with high-quality external credit ratings. As at December 31, 2015, the Company's maximum exposure to credit risk is limited to the carrying amount of these financial assets at the reporting date totaling $99,429 (2014 – $772,761).

Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. Although the Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs, there is no assurance that any steps taken by the Company will be successful in this regard, and there is risk that unforeseen circumstances and expenditures will limit the cash that will be available.

The Company will issue equity at its best effort to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its immediate financial obligations and the Company's capital programs. However, there is risk that unforeseen circumstances and expenditures will limit the time period for which cash will be available, and the Company may not be able to raise financing of sufficient magnitude, or on a cost-effective basis. The failure of the Company to raise further financing would limit the ability of the Company to advance its business plan and carry on current activities.

Commodity price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and phosphate, individual equity movements and the stock market in general to determine the appropriate future course of action to be taken by the Company.

Fair Value
The carrying value of cash and cash equivalents, restricted cash, HST receivable and accounts payable and accrued liabilities is considered to be an approximation of fair value because of the short-term maturity of these instruments.

10. 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 or within these financial statements. Losses, if any, will be recorded in the statements of comprehensive loss in the year that such losses are determinable.

11. LOSS PER SHARE

The calculation of basic loss per share for the year ended December 31, 2015 was based on total comprehensive loss attributable to common shareholders of $2,501,271 (2014 - $711,288) and a weighted average number of common shares outstanding of 6,749,942 (2014 - 5,621,116). The exercise of the Company's outstanding warrants and options would be anti-dilutive and therefore the basic (loss) income and the diluted (loss) income per share are the same.

12. SUBSEQUENT EVENTS

On February 26, 2016, Stakeholder Gold Corp. 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, and was fully subscribed. In association with this financing a cash commission of $12,000 and a broker fee of 120,000 broker warrants were issued. Three directors and insiders completed subscriptions for a total of 1,254,000 shares.

On March 29, 2016, the Company issued 1,000,000 options of which 700,000 were issued to consultants and 300,000 to directors. These options have a strike price of $0.25 and a 3-year initial term.

Effective May 1, 2016, the Company will be located at 44 Victoria Street, Suite 1612, Toronto, Ontario, M5C, IY2.

13. COMITTMENTS

During 2015, the Company raised flow-through financing of $91,000 and passed the tax deductions which would otherwise be deductible to the Company to the respective investors using the available look-back rule. As a result, the Company has a commitment to spend the $91,000 on eligible exploration expenditures in 2016.

14. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to current period presentation.