STAKEHOLDER GOLD CORP.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

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, 2017 and 2016, and the statements of loss and 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Stakeholder Gold Corp. as at December 31, 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 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

Mississauga, Ontario — Chartered Professional Accountants

March 9, 2018 — Licensed Public Accountants

MNP

Stakeholder Gold Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2017	As at December 31, 2016
ASSETS		
Current assets		
Cash	**$ 767,686**	$ 1,031,715
Restricted cash	**24,294**	24,256
Receivables	**26,850**	63,753
Prepaid expense	**18,295**	38,055
Total current assets	**837,125**	1,157,779
Total assets	**$ 837,125**	$ 1,157,779
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	**$ 613,664**	$ 182,104
Total current liabilities	**613,664**	182,104
Equity		
Share capital (note 8)	**10,334,620**	9,336,559
Contributed surplus (notes 9 and 10)	**3,238,795**	2,722,077
Deficit	**(13,349,954)**	(11,082,961)
Total equity	**223,461**	975,675
Total equity and liabilities	**$ 837,125**	$ 1,157,779

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

Nature of operations and going concern (note 1)
Contingent liability (note 14)
Subsequent event (note 15)

Approved on behalf of the Board:

"Raymond F. Leach", Director

"Chris Berlet", Director

Stakeholder Gold Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating expenses		
Management and consulting (note 11)	**$ 484,280**	$ 438,798
Investor and shareholder relations	**252,544**	267,190
Professional fees (note 11)	**62,986**	44,481
General and administrative (note 11)	**79,466**	59,155
Exploration and evaluation costs (notes 7 and 11)	**1,070,046**	782,614
Share-based payments (note 9)	**318,918**	689,210
Total operating expenses	**2,268,240**	2,281,448
Loss before interest income	**(2,268,240)**	(2,281,448)
Interest income	**1,247**	6,448
Net loss and comprehensive loss for the year	**$ (2,266,993)**	$ (2,275,000)
Basic and diluted net loss per share (note 12)	**$ (0.11)**	$ (0.15)
Weighted average number of common shares outstanding	**20,671,284**	15,258,993

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

Stakeholder Gold Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities		
Net loss for the year	**$ (2,266,993)**	$ (2,275,000)
Adjustments for:		
Interest income	**(1,247)**	(6,448)
Share-based payments (note 9)	**318,918**	689,210
Shares issued for property (note 8 (v))	**437,500**	-
Shares issued for services (notes 8(iv), (vi)	**178,500**	-
Changes in non-cash working capital items:		
Receivables and prepaid expenses	**56,663**	126,187
Restricted cash	**(38)**	(12)
Accounts payable and accrued liabilities	**431,560**	(71,169)
Net cash used in operating activities	**(845,137)**	(1,537,232)
Investing activities		
Interest income	**1,247**	6,448
Net cash provided by investing activities	**1,247**	6,448
Financing activities		
Proceeds from issuance of common shares, net of issuance costs	**579,861**	2,409,476
Proceeds from warrants exercised	**-**	52,838
Proceeds from share-based payments exercised	**-**	25,000
Net cash provided by financing activities	**579,861**	2,487,314
Net change in cash	**(264,029)**	956,530
Cash, beginning of year	**1,031,715**	75,185
Cash, end of year	**$ 767,686**	$ 1,031,715

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

Stakeholder Gold Corp.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares #	Share Capital $	Contributed Surplus $	Deficit $	Total $
Balance, December 31, 2015	7,663,782	7,544,766	1,337,346	(8,807,961)	74,151
Issuance of units (note 8(b)(i)(ii)(iii))	11,146,505	1,464,925	944,551	-	2,409,476
Share-based payments exercised	100,000	52,930	(27,930)	-	25,000
Warrants exercised	528,375	273,938	(221,100)	-	52,838
Share-based payments (note 9)	-	-	689,210	-	689,210
Net loss for the year	-	-	-	(2,275,000)	(2,275,000)
Balance, December 31, 2016	19,438,662	9,336,559	2,722,077	(11,082,961)	975,675
Issuance of shares for property (notes 8(b)(v))	2,400,000	382,061	197,800		579,861
Issuance of shares for property (notes 8(b)(v))	1,250,000	437,500			437,500
Shares issued for services (note 8(b)(iv)(vi))	500,000	178,500			178,500
Stock options granted (note 9)			318,918		318,918
Net (loss) for the year				(2,266,993)	(2,266,993)
Balance, December 31, 2017	**23,588,662**	**10,334,620**	**3,238,795**	**(13,349,954)**	**223,461**

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

1. Nature of operations and going concern

Stakeholder Gold Corp. (the "Company" or "Stakeholder") was incorporated under the Canada Business Corporation Act and carries on business in one segment, being the identification, acquisition and exploration of properties for mining of precious and base metals. The Company is listed on the TSX Venture Exchange, having the symbol SRC.V. The address of the Company's head office is 1612 – 44 Victoria Street, Toronto, Ontario, M5C 1Y2.

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

Going concern

These financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. Accordingly they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these financial statements.

The Company does not generate revenue from operations. The Company incurred net losses in previous periods, with a current net loss of $2,266,993 for the year ended December 31, 2017 (year ended December 31, 2016 - loss of $2,275,000) and had an accumulated deficit of $13,349,954 as at December 31, 2017 (December 31, 2016 - $11,082,961). The Company had working capital of $223,461 at December 31, 2017 (December 31, 2016 - $975,675). There is uncertainty as to whether the Company will be able to meet its committed exploration expenditures for its exploration and evaluation assets and to meet its corporate administrative expenses for the next 12 months without additional financing.

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

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

2. Basis of presentation

These financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company.

These financial statements were authorized for issue by the Board of Directors on March 9, 2018.

3. Significant accounting policies

Basis of measurement

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

Foreign currency transactions

The functional currency of the Company is the Canadian dollar.

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

Financial instruments

Financial assets

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

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

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

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

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities

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

Restricted cash

Restricted cash includes highly-liquid short-term interest bearing investment accounts held with reputable financial institutions to secure obligations of the Company (see note 6).

Exploration and evaluation activities

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit

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

Income taxes

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

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

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

3. Significant accounting policies (continued)

Share capital

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

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

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.

Comprehensive income (loss)

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

Share-based payments

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

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

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

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

3. Significant accounting policies (continued)

Share-based payments (continued)

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

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

Provisions

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

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

The Company had no material provisions as at December 31, 2017 or December 31, 2016 (see note 14).

Rehabilitation provisions

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

The Company had no material rehabilitation obligations as at December 31, 2017 or December 31, 2016.

3. Significant accounting policies (continued)

Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. During the year ended December 31, 2017, the calculation of basic and diluted loss per share did not include the effect of all potentially dilutive instruments outstanding as they are anti-dilutive.

Critical accounting estimates and judgments

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

Judgments

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

Going concern

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. The factors considered by management are disclosed in Note 1.

Functional currency

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

3. Significant accounting policies (continued)

Critical accounting estimates and judgments (continued)

Estimates

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

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

Impairment

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

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

Provisions and contingencies

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

Changes in accounting policies

Changes in accounting policy

During the year ended December 31, 2017, the Company changed its policy regarding the treatment of exploration and evaluation expenditures. Such a change relates to the accounting for acquisition costs of mineral properties and exploration and evaluation expenditures thereof. The Company was capitalizing exploration and evaluation expenditures, and is now expensing such expenditure in the Statement of Loss and Comprehensive Loss. The change is more inline with industry standards.

There was no effect on the Statement of Financial Position as of December 31, 2016 or the Statement of Loss and Comprehensive Loss for the year ended December 31, 2016.

The change in the accounting policy had the following effect on the statement of cash flows for year ended December 31, 2016.

The net cash provided (used) in investing activities is restated as $6,448 compared to ($776,166) as previously stated under the previous accounting policy.

3. Significant accounting policies (continued)

Changes in accounting policies (continued)

New standards not yet adopted and interpretations Issued but not yet effective

IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of this pronouncement.

IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS17 Leases. The IAS issued its standard as part of a joint project with the Financial Accounting Standards Board ("FASB"). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of this pronouncement.

4. Capital risk management

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the year ended December 31, 2017. Stakeholder is not subject to externally imposed capital requirements.

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

5. Financial instruments and risk management

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

- Market Risk
- Liquidity Risk
- Credit Risk

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

5. Financial instruments and risk management (continued)

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

General objectives, policies and processes:

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

Market risk

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

Interest rate risk

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

Commodity price risk

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

Liquidity risk

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

At December 31, 2017, Stakeholder had a cash balance of $767,686 and current liabilities of $613,664. As outlined in Note 1, the Company will be required to obtain additional financing for working capital and continued exploration and development of its properties.

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

	Due within				
	1 year	**2 Years**	**3 Years**	**Over 4 Years**	**Total**
Accounts payable and accrued liabilities	$ 613,664	$ -	$ -	$ -	$ 613,664

5. Financial instruments and risk management (continued)

Credit risk

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

Determination of fair value

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

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

6. Cash and restricted cash

Cash at banks and on hand earn interest at floating interest rates based on daily deposit rates. The Company had no cash equivalents at December 31, 2017 or December 31, 2016.

As at December 31, 2017, Stakeholder's restricted cash balance of $24,294 (December 31, 2017 – $24,256) related to guaranteed investment certificates securing the Company's corporate credit card.

7. Exploration and evaluation assets

Ballarat Property

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

Due to the inconclusive results of the 2016 project and management's focus on the Mountain View project (see Goldstorm Property) management has halted exploration on the property.

7. Exploration and evaluation assets (continued)

Goldstorm Property

On March 8, 2017, Stakeholder announced it had entered into an arrangement with Mountain View Gold Inc. ("MVG") to earn a 100% interest in its Goldstorm property located in Elko County, Nevada.

i) To earn the initial 40% interest on the property, the Company must pay USD$40,000 (paid) and issue 1,250,000 common shares (issued), issue an additional 1,250,000 common shares on the nine-month anniversary of the contract with MVG, and incur exploration expenditures of not less than USD$750,000 within 12 months of the effective date of the agreement.

On September 3, 2017, MVG and Stakeholder amended the agreement relating to the initial 40% interest for Stakeholder to satisfying the conditions of either Option A or Option B.

"Option A" required Stakeholder to (a) issue to MVG additional 1,250,000 shares on the 9 month anniversary of the date of this Agreement; and (b) incur expenditures on the Project of not less than USD$750,000, of which at least USD$700,000 shall be qualifying expenditures, within 12 months of the effective date, and in the event USD$750,000 of expenditures is not incurred within 12 months of the effective date, then by Stakeholder making a payment to MVG on the 12 month anniversary of the Effective Date of an amount equal to the balance of the USD$750,000 of expenditures that were not incurred by the Stakeholder prior to the 12 month anniversary of the Effective Date. This option is no longer an option as the Stakeholder did not issue the 1,250,000 shares on the 9 month anniversary of the date of this Agreement.

"Option B" requires Stakeholder to: (a) issue to MVG additional 1,250,000 shares as soon as practical upon receipt of the assay results for the first 4 drill holes with respect to the Project; (b) incur expenditures on the Project of not less than USD$350,000, on a best efforts basis, in the 2017 calendar year (incurred); and (c) incur expenditures on the Project of not less than USD$750,000 (inclusive of the expenditures outlined in (b) above), of which at least USD$700,000 shall be qualifying expenditures, within 18 months of the Effective Date, and in the event USD$750,000 of expenditures is not incurred within eighteen 18 months of the Effective Date, then by Stakeholder making a payment to the MVG on the 18 month anniversary of the Effective Date of an amount equal to the balance of the USD$750,000 of expenditures that were not incurred by Stakeholder prior to the 18 month anniversary of the Effective Date.

ii) A further 40% ("Second Option") can be earned by issuing to MVG 1,750,000 common shares on the date of the exercise of the Second Option, issue an additional 1,750,000 common shares on the three month anniversary date from the exercise of the Second Option, and incur exploration expenditures of not less than USD$750,000 within nine months of the date of the exercise of the Second Option.

(iii) The final 20% ("Third Option") can be earned by either paying to MVG cash consideration equal to $20 per ounce of gold or gold equivalent multiplied by the total ounces of gold or gold equivalent (measured, indicated and inferred) on the property as set out in a technical report, to be dated no later than 60 days prior to the exercise date of the Third Option, or (ii) issuing to MVG 3,000,000 common shares.

7. Exploration and evaluation assets (continued)

Exploration and evaluation activities for the years ended December 31, 2017 and December 31, 2016 are as follows:

	Ballarat	Goldstorm
Balance at December 31, 2015	$ -	$ -
Exploration costs	782,614	-
Balance at December 31, 2016	782,614	-
Exploration costs		
Shares issued pursuant to agreement	-	437,500
Option payments	-	54,828
Expenditure	-	535,179
Cumulative exploration costs at December 31, 2017	**$ 782,614**	**$ 1,027,507**

8. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2015	**7,663,782**	**$ 7,544,766**
Private placement (i)	7,500,000	512,400
Private placement (ii)	2,441,390	651,895
Private placement (iii)	1,205,115	300,630
Warrants exercised	528,375	273,938
Stock options exercised	100,000	52,930
Balance, December 31, 2016	19,438,662	$ 9,336,559
Balance, December 31, 2016	19,438,662	$ 9,336,559
Shares issued for service (iv)(vi)	500,000	178,500
Shares issued for property (v)	1,250,000	437,500
Private placement (vii)	2,400,000	382,061
Balance, December 31, 2017	**23,588,662**	**$ 10,334,620**

8. Share capital

b) Common shares issued.

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

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

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

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

Flow-through spending was met and there was no premium on flow-through.

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

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

(iv) In March 2017, 200,000 common shares were issued in exchange for services valued at $87,000.

(v) In May 2017, 1,250,000 common shares were issued pursuant to the Goldstorm Property Agreement referenced in Note 7, valued at $437,500.

(vi) In October 2017, 300,000 common shares were issued in exchange for services valued at $93,000.

8. Share capital (continued)

b) Common shares issued (continued)

(vii) On December 21, 2017, the Company closed a non-brokered private placement with proceeds of $600,000 comprised of 2,400,000 units. Each unit comprised of one common share and one half warrant. Each Warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.50 per share for a period expiring on December 21, 2019. In connection with the private placement, the Company paid $20,139 in commission and other related issuance costs, issued 220,000 broker compensation warrants. Each warrant entitles the holder to purchase one common share at a price of $0.25 for a period of 2 years expiring December 21, 2019.

The net proceeds were allocated to the equity components on a relative fair value basis with $382,061 (78%) attributed to the shares and $197,800 (22%) attributed to the warrants. Included as a reduction to the net proceeds is $61,166 attributed to the broker warrants. The warrants and broker warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 164%, risk free interest of 1.68% and an expected life of 2 years.

9. Share-based payments

The stock option plan of the Company established on January 4, 2017, provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 5 years from the date of the grant.

	Number of stock options	Weighted average exercise price
Balance, December 31, 2015	310,000	$ 1.98
Issued (i),(ii),(iii)	1,560,000	0.38
Expired	(60,000)	1.17
Exercised	(100,000)	0.25
Balance, December 31, 2016	1,710,000	$ 0.65
Issued (iv)	1,000,000	0.32
Expired	(360,000)	0.86
Balance, December 31, 2017	**2,350,000**	**$ 0.50**

(i) On March 29, 2016, Stakeholder granted 1,000,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.25 for a period of 3 years from the date of issuance. The options vested immediately. The estimated fair value of the options at the grant date was $279,300 using the Black-Scholes option pricing model. The estimated fair value of the options has been charged to the statements of loss and comprehensive loss and credited to share-based payments in the shareholders' equity. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: dividend yield 0%, expected volatility of 250%, risk free rate of return of 0.53% and an expected life of 3 years. For the year ended December 31, 2016 $279,300 was expensed.

9. Share-based payments (continued)

(ii) On September 18, 2016, Stakeholder granted 60,000 stock options to a consultant of the Company at an exercise price of $0.50 for a period of 2 years from the date of issuance. The options vested immediately. The estimated fair value of the options at the grant date was $25,393 using the Black-Scholes option pricing model. The estimated fair value of the options has been charged to the statements of loss and comprehensive loss and credited to share-based payments in the shareholders' equity. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: dividend yield 0%, expected volatility of 250%, risk free rate of return of 0.53% and an expected life of 2 years. For the year ended December 31, 2016 $25,393 was expensed.

(iii) On October 4, 2016, Stakeholder granted 500,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.61 for a period of 3 years from the date of issuance. The options vested immediately. The estimated fair value of the options at the grant date was $384,517 using the Black-Scholes option pricing model. The estimated fair value of the options has been charged to the statements of loss and comprehensive loss and credited to share-based payments in the shareholders' equity. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: dividend yield 0%, expected volatility of 250%, risk free rate of return of 0.53% and an expected life of 3 years. For the year ended December 31, 2016 $384,517 was expensed.

(iv) On December 21, 2017, Stakeholder granted 1,000,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.32 for a period of 3 years from the date of issuance. The options vested immediately. The estimated fair value of the options at the grant date was $318,918 using the Black-Scholes option pricing model. The estimated fair value of the options has been charged to the statements of loss and comprehensive loss and credited to share-based payments in the shareholders' equity. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: dividend yield 0%, expected volatility of 193%, risk free rate of return of 1.72% and an expected life of 3 years. For the year ended December 31, 2017 $318,918 was expensed to option-based payments.

The following table reflects the actual stock options issued and outstanding as of December 31, 2017:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
September 18, 2018	0.50	0.72	60,000	60,000
January 31, 2019	0.50	1.08	40,000	40,000
March 28, 2019*	0.25	1.24	700,000	700,000
October 3, 2019	0.61	1.76	400,000	400,000
January 14, 2020	2.50	2.04	150,000	150,000
December 21, 2020	0.32	2.98	1,000,000	1,000,000
	0.10	4.69	2,350,000	2,350,000

* Subsequent to the year ended December 31, 2017, 100,000 options were exercised in January 2018 (note 15).

10. Warrants

	Number of warrants	Weighted average exercise price
Balance, December 31, 2015	451,927	$ 2.90
Issued (note 8(b)(i)(ii)(iii))	2,646,180	0.41
Expired	(451,927)	2.90
Exercised	(528,375)	0.10
Balance, December 31, 2016	2,117,805	$ 0.72
Issued (note 8(b)(vii))	1,420,000	0.46
Balance, December 31, 2017	**3,537,805**	**$ 0.61**

The following table reflects the actual warrants issued and outstanding as of December 31, 2017:

Expiry date	Number of warrants	Grant date fair value ($)	Exercised price ($)
September 2, 2018	1,220,695	377,302	0.75
September 2, 2018	200,140	91,428	0.50
October 4, 2018	602,558	186,902	0.75
October 4, 2018	91,412	66,319	0.50
October 4, 2018*	3,000	1,500	0.75
December 21, 2019	1,200,000	197,800	0.50
December 21, 2019	220,000	61,349	0.25
	3,537,805	982,600	0.61

* These warrants are exercisable for one common share and one half of one warrant exercisable at $0.50 until October 4, 2018.

11. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) Stakeholder entered into the following transactions with related parties:

		Year Ended December 31, 2017	Year Ended December 31, 2016
Canuc Resources Corporation	(i)	**$ 13,670**	$ 18,148

(i) For the year ended December 31, 2017, the Company expensed $13,670 (year ended December 31, 2016 - $18,148) to Canuc, a corporation with a common director and officer, for rent. As at December 31, 2017, Canuc was owed $nil (December 31, 2016 - $nil).

(ii) The Company issued 500,000 common shares to an officer and director of the Company in exchange for services valued at $178,000 (see note 8(b)(iv)(vi)).

11. Related party transactions (continued)

(iii) As at December 31, 2017, the amount of $90,414 was included in accounts payable and accrued liabilities to a company with a common director (December 31, 2016 - $90,414).

(b) Remuneration of directors and key management personnel of the Company was as follows:

		Year Ended December 31, 2017	Year Ended December 31, 2016
Remuneration paid to CEO and President	(iv)	**$ 120,000**	$ 195,000
Remuneration paid to VP Exploration	(v)	**16,425**	38,550
Remuneration paid to CFO	(vi)	**-**	101,000
Remuneration paid to CFO	(vii)	**48,300**	4,200
Remuneration paid to CFO	(viii)	**1,450**	-
Directors fees		**-**	10,000
Share-based payments (Black-Scholes value)		**153,080**	503,124

(iv) For the year ended December 31, 2017, compensation of $120,000 (year ended December 31, 2016 - $195,000) were paid to a related company controlled by the CEO and President. The compensation were included in management and consulting expenses and exploration and evaluation costs. As at December 31, 2017, the Company was owed $99 (December 31, 2016 - $nil).

(vi) For the year ended December 31, 2017, the Company expensed in exploration and evaluation costs $16,425 (year ended December 31, 2016 - $38,550) to the Vice President Exploration. As at December 31, 2017, the Company was owed $nil (December 31, 2016 - $nil).

(vi) For the year ended December 31, 2017, the Company expensed $nil (year ended December 31, 2016 - $101,000) to a company controlled by an officer of the Company, as remuneration paid as CFO. As at December 31, 2017, the Company was owed $nil (December 31, 2016 - $nil).

(vii) For the year ended December 31, 2017, the Company expensed $48,300 (year ended December 31, 2016 - $4,200) to a company controlled by an officer of the Company, as remuneration paid as CFO. As at December 31, 2017, the Company was owed $nil (December 31, 2016 - $nil).

(viii) For the year ended December 31, 2017, the Company expensed $1,450 (year ended December 31, 2016 - $nil) to Marrelli Support Services Inc. as remuneration paid for CFO services. As at December 31, 2017, the Company was owed $1,638 (December 31, 2016 - $nil).

12. Loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2017 was based on the loss attributable to common shareholders of $2,266,993 (year ended December 31, 2016 - $2,275,000) and the weighted average number of common shares outstanding of 20,671,284 for the year ended December 31, 2017 (year ended December 31, 2016 - 15,258,993). Diluted loss per share did not include the effect of 2,350,000 options outstanding and 3,537,805 warrants as their effect is anti-dilutive.

13. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2016 - 26.5%) to the effective tax rate is as follows:

	Year Ended December 31, 2017	2016
	$	**$**
(Loss) for the year before income taxes	**(2,266,993)**	(2,275,000)
Expected income taxes (recovery)	**(600,740)**	(602,880)
Adjustment to expected income tax benefit		
Share-based payments	**81,460**	99,850
Effect of flow-through renunciation	**-**	181,130
Change in tax benefits not recognized	**519,280**	321,900
Deferred income tax provision (recovery)	**-**	-

Unrecognized temporary differences

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom:

	2017	2016
	$	**$**
Non-capital losses carry-forward	**3,860,160**	2,920,350
Exploration and evaluation assets	**6,273,820**	5,203,070
Share issue cost	**212,640**	263,470
Investment tax credits	**52,200**	52,200
Other temporary differences	**8,520**	8,520
Unrecognized temporary differences	**10,407,340**	8,447,610

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

Share issue and financing costs will be fully deducted by 2021

Investment tax credits expire from 2031-2032.

The remaining deductible temporary differences may be carried forward indefinitely.

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

2031	$	205,510
2032		329,670
2033		296,100
2034		753,730
2035		472,190
2036		863,340
2037		929,620
	$	3,850,160

14. Commitments and contingent liabilities

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

Flow-through commitment:
As of December 31, 2017, the Company incurred all the eligible exploration expenditures relating to flow-through, and has no further commitment for 2018.

15. Subsequent event

In January 2018, 100,000 options were exercised at $0.25 .