Roughrider

EXPLORATION LIMITED

FINANCIAL STATEMENTS

For the years ended December 31, 2017 and 2016

Expressed in Canadian dollars

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Roughrider Exploration Limited

We have audited the accompanying financial statements of Roughrider Exploration Limited, which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Roughrider Exploration Limited 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.

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Emphasis of Matter

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

April 17, 2018

ROUGHRIDER EXPLORATION LIMITED

STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian Dollars

AS AT DECEMBER 31

	2017	2016
ASSETS		
Current assets		
Cash	$ 294,710	$ 476,425
Receivables	16,338	36,404
Prepaid expenses	3,999	7,857
	315,047	520,686
Non-current assets		
Exploration property acquisition costs (Note 4)	1,384,527	1,196,112
	$ 1,699,574	$ 1,716,798
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 300,499	$ 112,394
Flow-through premium (Note 5)	32,982	-
	333,481	112,394
Non-current liabilities		
Flow-through premium (Note 5)	--	51,010
	333,481	163,404
Shareholders' equity		
Capital stock (Note 6)	4,792,713	4,274,221
Other equity reserves	518,306	511,418
Deficit	(3,944,926)	(3,232,245)
	1,366,093	1,553,394
	$ 1,699,574	$ 1,716,798

Nature and continuance of operations (Note 1)
Related party transactions (Note 9)

On behalf of the Board of Directors on April 12, 2018

Signed "Scott Gibson"	*Signed "Alex Heath"*
Director	Director

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

ROUGHRIDER EXPLORATION LIMITED

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in Canadian Dollars

FOR THE YEARS ENDED DECEMBER 31

		2017		2016
Exploration expenses (Note 4)	$	312,144	$	165,719
Filing fees		23,211		18,057
Flow-through premium recovery (Note 5)		(51,358)		(14,375)
Interest income		(1,168)		(1,327)
Marketing		40,981		23,684
Office expenses		30,435		30,379
Professional fees		90,880		25,542
Salaries and personnel costs (Note 9)		248,735		250,003
Share-based compensation (Note 6)		--		21,000
Write-off of exploration property acquisition costs (Note 4)		18,821		11,489
Loss and comprehensive loss for the year	$	(712,681)	$	(530,171)
Basic and diluted loss per common share	$	(0.02)	$	(0.02)
Weighted average number of common shares outstanding		37,666,962		24,727,628

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

ROUGHRIDER EXPLORATION LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Expressed in Canadian Dollars

	Capital Stock				
	Number of Shares	**Amount**	**Other Equity Reserves**	**Deficit**	**Total Equity**
Balance, December 31, 2015	**23,043,782**	**$3,582,382**	**$ 453,782**	**$(2,702,074)**	**$ 1,334,090**
Shares issued for exploration & evaluation asset	2,044,828	186,285	--	--	186,285
Private placement	6,185,147	329,960	--	--	329,960
Flow-through shares as private placement	5,101,000	306,060	--	--	306,060
Flow-through premium	--	(51,010)	--	--	(51,010)
Share issuance costs	--	(48,256)	5,436	--	(42,820)
Warrants issued with private placement	--	(31,200)	31,200	--	--
Share-based payments	--	--	21,000	--	21,000
Loss for the year	--	--	--	(530,171)	(530,171)
Balance, December 31, 2016	36,374,757	$4,274,221	$ 511,418	$(3,232,245)	$ 1,553,394
Shares issued for exploration & evaluation asset	2,575,000	142,750	--	--	142,750
Private placement	4,800,000	240,000	--	--	240,000
Flow-through shares as private placement	3,333,000	199,980	--	--	199,980
Flow-through premium	--	(33,330)	--	--	(33,330)
Share issuance costs	--	(24,020)	--	--	(24,020)
Warrants issued with private placement	--	(6,888)	6,888	--	--
Loss for the year	--	--	--	(712,681)	(712,681)
Balance, December 31, 2017	**47,082,757**	**$4,792,713**	**$ 518,306**	**$(3,944,926)**	**$ 1,366,093**

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

ROUGHRIDER EXPLORATION LIMITED

STATEMENTS OF CASH FLOWS

Expressed in Canadian Dollars

FOR THE YEARS ENDED DECEMBER 31

	2017	2016
OPERATING ACTIVITIES		
Loss for the year	$ (712,681)	$ (530,171)
Items not affecting cash:		
Flow-through premium recovery (Note 5)	(51,358)	(14,375)
Share-based compensation	--	21,000
Write-off of exploration property acquisition costs (Note 4)	18,821	11,489
Changes in non-cash working capital items:		
Decrease (increase) in receivables	20,066	(11,850)
Decrease in prepaid expenses	3,858	5,878
Increase in accounts payable and accrued liabilities	175,727	48,612
Net cash used in operating activities	(545,567)	(469,417)
INVESTING ACTIVITIES		
Exploration property acquisition costs	(52,108)	--
Net cash used in investing activities	(52,108)	--
FINANCING ACTIVITIES		
Repayment of loans	--	(22,460)
Shares and warrants issued in private placements	439,980	636,020
Share issuance costs	(24,020)	(42,820)
Net cash generated through financing activities	415,960	570,740
Increase (decrease) in cash for the year	(181,715)	101,323
Cash, beginning of year	476,425	375,102
Cash, end of year	$ 294,710	$ 476,425

	2017	2016
Cash paid during the year for interest and taxes	$ 123	$ 725
Non-cash transactions affecting cash flows from investing and financing activities:		
Finder's warrant valuation	$ 6,888	$ 36,636
Shares issued for property and option agreement	142,750	186,285
Premium on flow-through shares issued during the year	33,330	51,010
Exploration property acquisition costs in accounts payable	12,378	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Roughrider Exploration Limited ("Roughrider" or the "Company") was incorporated on December 7, 2011 under the *British Columbia Business Corporations Act*. The Company is listed on the TSX Venture Exchange as a Tier 2 Mining Issuer. The principal business of the Company is the exploration and evaluation of mineral properties. The principal focus of the Company is exploring its portfolio of mineral properties, including the Genesis property, a uranium project located to the northeast of the Athabasca Basin in Saskatchewan, the Iron Butte property, a gold-silver project in Nevada, and the Silver Ace and Sterling properties in central British Columbia.

The address of the Company's head office is Suite 420 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The address of the Company's registered office is 2500 - 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has no source of revenue, has an accumulated deficit of $3,944,926 at December 31, 2017, and expects to incur further losses in order to explore its mineral properties. These factors cast significant doubt upon the Company's ability to continue as a going concern and, therefore suggest that the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations are dependent upon its ability to obtain sufficient financing to explore the Genesis property, and upon the successful exploration and development or sale of the Company's exploration projects. Although the Company has been successful in obtaining financing to begin this process, there is no assurance that it will be able to obtain adequate financing in the future, or that such financing will be on terms that are advantageous to the Company.

2. BASIS OF PREPARATION

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS applicable to the preparation of financial statements as issued by the International Accounting Standards Board ("IASB") and are consistent with interpretations by the International Financial Reporting Interpretations Committee ("IFRIC") which were effective as of April 16, 2018, the date the Board of Directors authorized these financial statements for issuance.

The preparation of these financial statements required management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

These financial statements are expressed in Canadian dollars, the Company's functional and presentation currency, the currency of the primary economic environment in which it operates. These financial statements have been prepared on a historical cost basis, except for financial instruments classified as *financial instruments at fair value through profit and loss*, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Cash and cash equivalents

Cash includes deposits held with banks that are available on demand. Cash equivalents are defined as financial instruments that are readily convertible to a known amount of cash and are subject to insignificant changes in value. As at December 31, 2017 and 2016, the Company did not hold any cash equivalents.

c. Exploration property acquisition costs

Costs related to the acquisition of exploration properties are capitalized and deferred until such time as the property is either sold, or put into production. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Costs related to the exploration and evaluation of properties are recognized in profit or loss as incurred, up to the time a decision is made to proceed with the development of the related exploration property due to the existence of economically recoverable reserves. A mineral resource is considered to have economic potential when it is expected that a documented resource can be legally and economically developed considering forecast metal prices.

Incoming option payments, or proceeds from the sale of royalty interests received by the Company are first applied to capitalised costs, with any excess recognized in profit or loss. Tax credits received are applied against the costs that generated the tax credit. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

d. Impairment of non-financial assets

The recoverability of amounts expended on exploration property acquisition costs is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the Company's ability to overcome the regulatory, financing and other hurdles in order to complete their development and future profitable production or proceeds from the disposition thereof.

The Company performs impairment tests on property and equipment and exploration property interests when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on a project-by-project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized if the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's value in use or the asset's fair value less costs to sell.

An impairment loss is reversed if there is an indication that there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amounts that would have been determined (net of depreciation) if no impairment loss had been recognized.

e. Financial instruments

Financial assets and liabilities are initially recognized at fair value on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) financial assets available-for-sale, (3) financial assets held-to-maturity, (4) loans and receivables, and (5) other financial liabilities. Measurement in subsequent periods depends on the financial instrument's classification.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments (continued)

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in profit or loss. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest rate method.

Financial instrument fair values are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and

Level 3 Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's cash is classified as FVTPL. Subsequent measurement is at fair value using level 1 observable inputs. Changes in fair value are recognized in profit or loss.

Receivables are classified as loans and receivables and are thus recorded at amortized cost using the effective interest rate method. Amounts are recorded net of anticipated collection costs, if any. Due to their predominantly short term nature, the Company estimates that their fair values approximate their carrying values.

Accounts payable and accrued liabilities are classified as other financial liabilities, initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of these amounts, the Company estimates that their fair value approximates their carrying value.

f. Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists for financial assets classified as other than FVTPL, the Company recognizes an impairment loss.

For financial assets classified as available-for-sale, where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

For financial assets carried at amortized cost, the loss is the difference between the amortized cost of the receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event or condition occurring after the impairment was recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to capital stock when the related shares are issued. Deferred share issuance costs related to financing transactions that are not eventually completed are charged to profit or loss.

h. Share-based payments

The Company applies the fair value method of accounting for all stock option awards. Under this method, compensation expense attributed to the award of options to employees is measured at the fair value of the award on the date of grant, and is recognized over the vesting period of the award. Share-based payments to non-employees are valued based on the fair value of the service received, if reliably determinable, otherwise based on the fair value of the award granted. Valuation is calculated based on the date at which the Company receives the service. If and when the stock options are ultimately exercised, the applicable amounts of other equity reserves are transferred to capital stock.

The fair value of instruments granted is measured using the Black-Scholes Option Pricing Model, taking into account the terms and conditions under which the instruments are granted. The fair value of the awards is adjusted by an estimate of the number of awards that are expected to vest as a result of non-market conditions. At each statement of financial position date, the Company revises its estimates of the number of options that are expected to vest based on the non-market conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity.

Warrants issued with a common share, as part of a unit offering, are valued using the residual value method. A value representing the premium to the market-price that is obtained (if any) during the issuance is attributed to the warrant.

i. Flow-through shares

Tax law in Canada permits the Company to transfer certain corporate tax losses to investors for their deduction, through a mechanism known as flow-through shares. When an investor purchases flow-through shares from the Company, the Company recognizes a liability for the premium paid for the flow-through shares that is in excess of the market value of shares without flow-through features at the time of issue. As qualifying expenditures are incurred, the Company decreases the liability for the flow-through share premium and transfers the amounts to profit or loss.

j. Income taxes

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 tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 statement of financial position date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Income taxes (continued)

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k. Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of shares outstanding.

l. Foreign currency translation

Any transaction denominated in a foreign currency is translated into the functional currency using the exchange rate prevailing at the date of the transaction or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

m. Decommissioning and restoration provisions

Decommissioning and restoration provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted for the market discount rate.

Over time the discounted liability is increased for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Changes in reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost.

The Company did not have any decommissioning and restoration provisions for the years presented.

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Recent accounting pronouncements

<u>For the Company's year ended December 31, 2018:</u>

IFRS 7, Financial Instruments: Disclosures amendment requires additional disclosures on transition from IAS 39 and IFRS 9, and will be effective for the Company's year ended December 31, 2018.

IFRS 9, Financial Instruments introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, *IFRS 9* requires all recognized financial assets that are within the scope of *IAS 39 Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value. The amendment also introduces a third measurement category for financial assets: fair value through other comprehensive income, and includes a single, forward-looking 'expected loss' impairment model. These amendments will be effective for the Company's year ended December 31, 2018.

IFRS 15, Revenue from Contracts with Customers: This new standard establishes a new control-based revenue recognition model which could change the timing of revenue recognition.

The effect of these standards on the Company's financial statements is expected to be increased disclosure.

<u>For the Company's year ended December 31, 2019:</u>

IFRS 16, Leases: This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months.

The Company is in the process of assessing the impact of this accounting standard.

4. EXPLORATION PROPERTY

a. Acquisition costs

	Genesis property	Iron Butte property	Other Canadian properties	Total
Balance, December 31, 2015	$ 1,009,827	$ -	$ 11,489	$ 1,021,316
Share payment	186,285	-	-	186,285
Write-off of acquisition costs	-	-	(11,489)	(11,489)
Balance, December 31, 2016	1,196,112	-	-	1,196,112
Cash payment	-	33,287	-	33,287
Share payment	137,500	5,250	-	142,750
Staking costs	-	-	31,199	31,199
Write-off of acquisition costs	-	-	(18,821)	(18,821)
Balance, December 31, 2017	$ 1,333,612	$ 38,537	$ 12,378	$ 1,384,527

Expressed in Canadian Dollars

4. EXPLORATION PROPERTY (CONTINUED)

a. Acquisition costs (continued)

Genesis property

On July 16, 2014, the Company entered into an option agreement, subsequently amended, with Kivalliq Energy Corp, ("Kivalliq") under which Roughrider may earn up to an 85% interest in Kivalliq's Genesis uranium project (the "Genesis property") located in the Athabasca Basin region of Canada.

Under the terms of the amended option agreement, the Company may earn an initial 50% interest by making cash payments, incurring expenditures, and issuing shares as follows:

	Payments	Expenditures	Common shares
On the effective date of the agreement	$125,000[(1)]	N/A	1,969,828[(1)]
On or before December 31, 2014	N/A	$1,000,000[(1)]	N/A
On signing of the amending agreement	$400,000[(1)]	N/A	N/A
On or before August 31, 2016	N/A	N/A	1,969,828[(4)]
On or before August 31, 2017	$175,000[(2)]	$1,100,000	N/A
Total	$700,000	$2,100,000[(3)]	3,939,656

(1) This amount has been paid, this expenditure incurred, or these shares issued as of December 31, 2015.
(2) This amount was paid, at Roughrider's election, through the issuance of 2,500,000 shares with a fair value of $137,500 on August 30, 2017, the date of issue.
(3) As of December 31, 2017, the Company has incurred cumulative expenditures of $2,149,419 including GST, as allowed under the amended option agreement.
(4) These shares have been issued as of December 31, 2016.

As at December 31, 2017, all requirements above have been met and the Company has earned a 50% interest in the Genesis property.

The Company may acquire a further 35% interest (for an aggregate 85% interest) by making cash payments, incurring expenditures, and issuing shares as follows:

	Payments	Expenditures	Common shares
On or before August 31, 2018	$250,000[(1)]	N/A	N/A
On or before August 31, 2019	$450,000[(1)]	$2,500,000	N/A

(1) This amount may be paid either in cash or in shares, at Roughrider's election.

During the year ended December 31, 2016, Roughrider acquired additional claims within the boundary of the Genesis project for the issuance of 75,000 common shares, valued at $9,000, and the creation of a 2% net smelter returns royalty ("NSR") on production from the area covered by the licenses. The NSR may be reduced to 1% by the payment of $500,000 within six months of publishing a feasibility study incorporating the area covered by the licences.

Iron Butte property

On June 21, 2017, the Company entered into an option agreement under which Roughrider may earn a 100% interest in certain mining claims comprising the Iron Butte oxide gold-silver project in Lander County, Nevada (the "Iron Butte property").

Under the terms of the option agreement, the Company may earn a 100% interest by making cash payments and issuing shares as follows:

Expressed in Canadian Dollars

4. EXPLORATION PROPERTY (CONTINUED)

a. Acquisition costs (continued)

Iron Butte property (continued)

	Payments	Common shares
On the effective date of the agreement	US$25,000[(1)]	75,000[(1)]
On or before June 27, 2018	US$50,000	125,000
On or before June 27, 2019	US$75,000	200,000
On or before June 27, 2020	US$100,000	250,000
On or before June 27, 2021	US$150,000	350,000
On or before June 27, 2022	US$200,000	500,000
On or before June 27, 2023	US$400,000	Nil
Total	US$1,000,000	1,500,000

(1) US$25,000 has been paid and 75,000 common shares valued at $5,250 issued as of December 31, 2017.

Following exercise of the option until commencement of commercial production, the Company must also pay an advance royalty payment of US$2,000 monthly, which will be credited against a 2.5% NSR retained by the Optionor.

Upon making a production decision in respect of the Iron Butte property, the Company must make a further US$1,000,000 payment and issue an additional 500,000 common shares.

Following commencement of commercial production, the Company must make cash bonus payments as follows: US$500,000 for every 1,000,000 ounces of gold produced from the Iron Butte property, and US$500,000 for every 10,000,000 ounces of silver produced from the Iron Butte property.

Sabin property

On March 3, 2017, the Company entered into a letter agreement with Commander Resources Ltd. ("Commander") to acquire up to a 100% interest in Commander's Sabin zinc-copper-silver property in Northwestern Ontario, Canada. On June 2, 2017, the Company terminated the letter agreement.

During the year ended December 31, 2017 the Company also staked certain claims contiguous to the Sabin property in Northwestern Ontario, Canada at a cost of $18,821; these costs were written off as at December 31, 2017 as the Company has no intentions of advancing the project.

Silver Ace property

On November 16, 2017, the Company acquired, by staking, the Silver Ace property, located near Houston, BC, at a cost of $6,189.

Sterling property

On November 22, 2017, the Company acquired, by staking, the Sterling property, located near Houston, BC, at a cost of $6,189.

Expressed in Canadian Dollars

4. EXPLORATION PROPERTY (CONTINUED)

b. Exploration expenses

The Company incurred the following exploration expenditures during the year ended December 31, 2017 and 2016:

	2017	2016
Assays	$ 641	$ 227
Consultants (data analysis)	6,764	39,926
Filing fees	39	2,439
Fuel	11,686	4,863
Geological consulting	16,344	-
Geological survey	241,366	55,310
Helicopter	-	15,400
Mapping	-	500
Materials	278	2,080
Meals	398	168
Other	1,115	-
Parking	-	81
Personnel time	13,701	30,217
Transportation	9,686	-
Travel	10,126	14,508
Total	$ 312,144	$ 165,719

5. FLOW THROUGH PREMIUM LIABILITY

On December 21, 2017, the Company completed a flow-through private placement of 3,333,000 flow-through units at a price of $0.06 per flow-through unit for gross proceeds of $199,980. Each flow-through unit consisted of one flow-through share and one-half of one share purchase warrant, each warrant exercisable into one non-flow-through common share at a price of $0.10 per share. A $33,330 flow-through share premium liability was recorded pursuant to this financing. Upon incurring qualifying expenditures of $2,089 for the year ended December 31, 2017, the flow-through share premium liability was partially extinguished, and a recovery of this liability was recorded in the Statements of Loss and Comprehensive Loss, in the amount of $348.

On December 30, 2016, the Company completed a flow-through private placement of 5,101,000 flow-through shares at a price of $0.06 per share for gross proceeds of $306,060. A $51,010 flow-through share premium liability was recorded pursuant to this financing. Upon incurring qualifying expenditures of $306,060 for the year ended December 31, 2017, the flow-through share premium liability was extinguished, and a recovery of this liability was recorded in the Statements of Loss and Comprehensive Loss, in the amount of $51,010.

6. CAPITAL STOCK

Authorized

Unlimited common shares with no par value and unlimited preferred shares with no par value.

6. CAPITAL STOCK (CONTINUED)

Issuances

2016 transactions

On February 2, 2016, the Company completed a private placement of 1,035,147 common shares at a price of $0.07 per share for gross proceeds of $72,460. Each unit consisted of one common share and one warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.12 per share until February 1, 2018. The Company paid cash finder's fees of $3,000 and issued 42,857 finder's warrants valued at $1,300. The finder's warrants have the same terms as the warrants bundled in the units. The Company incurred additional costs of $1,619 in connection with this financing.

On May 30, 2016, the Company acquired additional exploration property in exchange for the issuance of 75,000 shares valued at $9,000 and a 2% NSR royalty on the property. The NSR may be reduced to 1% by the payment of $500,000 within six months of publishing a feasibility study incorporating the area covered by the licenses. The Company incurred additional costs of $534 in connection with this acquisition.

On August 30, 2016, the Company made a share payment to Kivalliq of 1,969,828 shares which was due under the Genesis property option agreement described in Note 4. These shares were issued at a price of $0.09 for a total value of $177,285.

On December 30, 2016, the Company closed the first tranche of a flow-through private placement of 5,101,000 flow-through units (the "2016 FT Units") at a price of $0.06 per 2016 FT Unit for aggregate proceeds of $306,060 and an aggregate of 5,150,000 non-flow-through common shares (the "2016 Non-FT Shares") at a price of $0.05 per Non-FT Share for aggregate proceeds of $257,500. The 2016 FT Units consist of one flow-through common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share at a price of $0.10 per common share until December 30, 2018. The Company paid cash finder's fees of $14,704 and issued 245,070 finder's warrants with a Black-Scholes valuation of $6,684. The finder's warrants have the same terms as the warrants bundled in the units. The Company incurred additional costs of $22,963 in connection with this financing.

2017 transactions

On January 5, 2017, the Company closed the final tranche of the non-brokered private placement financing and issued 200,000 additional non-flow through shares for proceeds of $10,000. The Company incurred additional costs of $321 in connection with this financing.

On July 13, 2017, the Company issued 75,000 common shares valued at $5,250 due under the Iron Butte property option agreement described in Note 4.

On August 30, 2017, the Company issued 2,500,000 common shares valued at $137,500 which was due under the Genesis property option agreement described in Note 4.

Expressed in Canadian Dollars

6. CAPITAL STOCK (CONTINUED)

Issuances (continued)

2017 transactions (continued)

On December 21, 2017, the Company closed a flow-through private placement of 3,333,000 flow-through units (the "2017 FT Units") at a price of $0.06 per 2017 FT Unit for aggregate proceeds of $199,980, 600,000 non-flow-through units (the “2017 Non-FT Units”) at a price of $0.05 per 2017 Non-FT Unit for aggregate proceeds of $30,000, and an aggregate of 4,000,000 non-flow-through common shares (the "2017 Non-FT Shares") at a price of $0.05 per 2017 Non-FT Share for aggregate proceeds of $200,000. The 2017 FT Units consist of one flow-through common share and one half of one share purchase warrant, and the 2017 Non-FT Units consist of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share at a price of $0.10 per common share until December 21, 2019. The Company paid cash finder’s fees of $14,349 and issued 243,810 finder’s warrants valued at $6,888. The finder’s warrants have the same terms as the warrants bundled in the units. The Company incurred additional costs of $9,350 in connection with this financing.

Escrowed shares

As at December 31, 2017, the Company has nil shares held in escrow (2016 – 972,000). Tranches of 15% (486,000 shares each) were released every 6 months, with the final tranche being released on July 16, 2017.

Stock options

The Company has established a share purchase option plan whereby the Board of Directors may grant options to directors, officers, employees or consultants.

The Company has been authorized by its shareholders to grant stock options numbering up to ten percent (10%) of the number of common shares issued and outstanding. Under the plan, the exercise price of each option shall be determined by the directors but will in no event be less than the discount market price for the common shares. Stock options granted are subject to a maximum term of 10 years and vest at the discretion of the Board of Directors. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than one quarter of such options vesting in any 3-month period.

Details of stock option activity are as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2015	1,950,000	$0.22
Granted	450,000	$0.10
Outstanding, December 31, 2016 and 2017	2,400,000	$0.20

Expressed in Canadian Dollars

6. CAPITAL STOCK (CONTINUED)

Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable to directors, officers, employees and consultants as at December 31, 2017:

Grant date	Expiry date	Exercise price	Number of options outstanding and exercisable	Remaining contractual life
Aug. 7, 2014	Aug. 7, 2019	$0.22	1,950,000	1.60 years
Feb. 1, 2016	Feb. 1, 2021	$0.12	250,000	3.09 years
Dec. 20, 2016	Dec. 20, 2021	$0.07	200,000	3.97 years
Weighted average remaining contractual life				2.40 years

The fair values of stock options granted were calculated using the Black-Scholes Option Pricing Model, based on the following weighted average assumptions:

	December 31, 2017	December 31, 2016
Exercise price	--	$0.10
Average risk-free interest rate	--	0.88%
Expected dividend yield	--	0.00%
Expected stock price volatility	--	120.74%
Expected life	--	5.00 years
Value per option	--	$0.047

Warrants

Details of warrant activity are as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2015	7,653,896	$0.32
Issued	3,873,574	$0.11
Expired	(603,420)	$0.21
Outstanding, December 31, 2016	10,924,050	$0.25
Issued	2,510,310	$0.10
Expired	(7,050,476)	$0.32
Outstanding, December 31, 2017	6,383,884	$0.10

Expressed in Canadian Dollars

6. CAPITAL STOCK (CONTINUED)

Warrants (continued)

As at December 31, 2017, the outstanding stock purchase warrants were as follows:

Expiry date	Exercise price	Number of warrants	Remaining contractual life
February 1, 2018	$0.12	1,078,004[(1)]	0.09 years
December 30, 2018	$0.10	2,795,570[(2)]	1.00 years
December 21, 2019	$0.10	2,510,310[(3)]	1.97 years
Weighted average remaining contractual life:			1.23 years

[(1)] 42,857 of which are finder's warrants. These warrants expired unexercised subsequent to December 31, 2017.
[(2)] 245,070 of which are finder's warrants
[(3)] 243,810 of which are finder's warrants

The fair values of the finder's warrants issued were calculated using the Black-Scholes Option Pricing Model, based on the following weighted average assumptions:

	December 31, 2017	December 31, 2016
Exercise price	$0.10	$0.10
Average risk-free interest rate	1.66%	0.76%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	125.25%	110.31%
Expected life	2.00 years	2.00 years
Value per warrant	$0.029	$0.027

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgement in making estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management has made judgements in a number of areas in preparing these financial statements. Those judgements that have the most significant effect on the amounts recognised in the financial statements are the determination whether the entity remains a going concern, and the assessment of impairment indicators for the Company's exploration property acquisition costs. Areas of critical accounting estimates include share-based payments and warrants and deferred tax assets.

Critical judgements

a. Going Concern

These statements have been prepared on the assumption that the Company is able to continue as a going concern. Additional information relating to the going concern assumption is disclosed in Note 1.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Critical judgements (continued)

b. Impairment of Exploration Property Acquisition Costs

Management's judgement is that there are no significant indicators of impairment of exploration property acquisition costs other than those related to the Sabin property. Further, ownership in exploration properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many exploration properties. Also, the Company must periodically apply to the relevant government entities for exploration-licence renewals, extensions and conversions and is subject to those entities' decisions. The Company has investigated ownership of its exploration properties and in management's judgement, ownership of its exploration property interests are in good standing at December 31, 2017.

Key sources of estimation uncertainty

a. Share-based payments and warrants

Determining the fair value of options and warrants requires the exercise of judgement related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Option and warrant pricing models require the input of highly subjective assumptions including the expected price volatility and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's options or warrants at the date of grant. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity. Refer to Note 6 for a summary of assumptions used.

b. Deferred tax assets

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Actual results may differ from the estimates made. Judgements and estimates, and their underlying assumptions, are reviewed on an ongoing basis. Revisions to accounting estimates or judgements are recognized in the period in which the estimates are revised and in any future periods affected.

Expressed in Canadian Dollars

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss for the year	$ (712,681)	$ (530,171)
Expected income tax recovery	$ (185,000)	$ (138,000)
Impact of flow-through shares	80,000	30,000
Non-deductible expenses	(13,000)	2,000
Share issuance cost	(6,000)	(11,000)
Other	5,000	1,000
Change in unrecognized deferred tax assets	119,000	116,000
Total income tax recovery	$ --	$ --

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been re-measured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

The significant components of the Company’s unrecorded deferred tax assets are as follows:

	2017	2016
Deferred Tax Assets		
Share issuance costs	$ 25,000	$ 35,000
Exploration expenses	354,000	353,000
Non-capital losses available for future periods	468,000	340,000
	847,000	728,000
Unrecognized deferred tax assets	(847,000)	(728,000)
Net deferred tax assets	$ --	$ --

The significant components of the Company’s unrecognized temporary differences and tax losses are as follows:

	2017	Expiry Date Range	2016	Expiry Date Range
Share issuance costs	$ 96,000	2019 to 2022	$ 133,000	2017 to 2021
Exploration expenses	1,361,000	No expiry	1,359,000	No expiry
Non-capital losses available for future periods	801,000	2031 to 2037	1,308,000	2031 to 2036

9. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, the CEO, CFO, and a vice president. During the year ended December 31, 2017, the CEO and a vice president of the Company were paid compensation of $205,000 (2016 - $259,000) which is included in salaries, marketing and exploration expenses; non-executive members of the Company's Board of Directors received no cash compensation or stock options. During the year ended December 31, 2017, a total of nil (2016 - 450,000) stock options were granted to key management with a total fair value of $nil (2016 - $21,000).

Other related parties:

During the year ended December 31, 2017:

a) Legal services valued at $68,235 (2016 - $26,300) were received from a law firm for which one of the directors of the Company is a partner; and

b) The Company paid $20,730 (2016 - $9,000) for administrative services and $12,600 (2016 - $2,500) for rent expense to a company owned by a director and officer of the Company.

As at December 31, 2017, the Company owed $119,964 (2016 – $39,000) to related parties, which is included in accounts payable and accrued liabilities.

10. CAPITAL DISCLOSURES

The Company manages its common shares, options and warrants as capital, each components of shareholders' equity. As at December 31, 2017, the Company's shareholders' equity was $1,366,093. As the Company is an exploration-stage mining company, its principal source of funds is from the issuance of common shares (See Note 1). When managing the capital structure, the Company's competing objectives are to minimize the number of shares issued and to raise sufficient capital to both safeguard its ability to continue as a going concern, and to execute near-term exploration objectives. The Company has not established any quantitative capital management criteria as the competing objectives require subjective analysis.

There were no changes to the Company's approach to capital management during the year ended December 31, 2017.

The Company is not subject to any externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with a major Canadian bank. The Company's only significant receivable at December 31, 2017 relates to a sales tax refund from the Government of Canada, who is not considered a default risk.

Liquidity risk

The Company is exposed to liquidity risk. All of the Company's current financial liabilities are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, equity prices, and foreign currency fluctuations.

a) Interest rate risk

Interest rate risk on cash is minimal because these investments generally have a fixed yield rate. As at December 31, 2017 the Company did not have any interest bearing debt.

b) Foreign currency risk

The Company could be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2017, the Company did not have any significant exposure to foreign currencies and so considers foreign currency risk insignificant to the Company at present.

c) Price risk

The Company may at times have limited indirect exposure 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.

12. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of exploration properties. The total assets attributable to geographical locations relate primarily to exploration properties and are located in Canada and USA (Note 4).