enCore Energy Corp.

TSX.V:EU

enCore Energy Corp.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
enCore Energy Corp.

Opinion

We have audited the accompanying consolidated financial statements of enCore Energy Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $402,780 during the year ended December 31, 2018 and, as of that date, the Company's total deficit was $19,759,372. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

April 16, 2019

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
As at December 31,

	Notes	2018	2017
ASSETS			
Current			
Cash		$ 925,626	$ 1,563,570
Receivables and prepaid expenses		17,100	45,427
		942,726	1,608,997
Intangible assets	4	360,000	-
Mineral properties	6	4,932,970	3,934,825
Reclamation deposit	6	116,639	-
Deferred acquisition costs	5	-	114,938
Total assets		$ 6,352,335	$ 5,658,760
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	7	$ 51,544	$ 29,513
Due to related parties	9	251,856	150,607
Total liabilities		303,400	180,120
Shareholders' Equity			
Share capital	8	23,903,536	23,310,203
Contributed surplus		1,051,080	1,012,750
Accumulated other comprehensive income		853,691	512,279
Deficit		(19,759,372)	(19,356,592)
Total shareholders' equity		6,048,935	5,478,640
Total liabilities and shareholders' equity		$ 6,352,335	$ 5,658,760

Nature of operations and going concern (Note 1)
Commitment (Note 14)
Subsequent events (Note 16)

Approved by the Board of Directors:

"William M. Sheriff"	*"William B. Harris"*
Director	Director

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

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	Year ended December 31, 2018	Year ended December 31, 2017
Expenses			
Consulting		$ 161,364	$ 67,500
Interest expense		-	3,467
Office and administration	9	105,011	89,269
Professional fees		36,201	37,828
Promotion and shareholder communications		953	-
Staff costs	9	84,621	79,392
Stock option expense	8,9	38,330	21,505
		(426,480)	(298,961)
Interest income		22,038	16,208
Foreign exchange gain (loss)		1,662	(3,110)
Gain on extinguishment of accounts payable	7	-	56,448
Loss for the year		(402,780)	(229,415)
Other comprehensive income (loss)			
Exchange differences on translating foreign operations		341,412	(269,761)
Other comprehensive income (loss) for the year		341,412	(269,761)
Comprehensive loss for the year		$ (61,368)	$ (499,176)
Basic and diluted loss per share		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		114,157,590	106,547,695

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

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2018 and 2017
(Expressed in Canadian dollars)

		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(402,780)	$	(229,415)
Items not affecting cash:				
Stock option expense		38,330		21,505
Gain on extinguishment of accounts payable		-		(56,448)
Changes in non-cash working capital items:				
Receivables and prepaids		28,327		(29,453)
Accounts payable and accrued liabilities		13,662		(16,895)
Due to related parties		77,742		75,240
Net cash used in operating activities		(244,719)		(235,466)
CASH FLOWS FROM INVESTING ACTIVITIES				
Deferred acquisition costs		-		(114,938)
Mineral properties expenditures		(362,595)		(420,614)
Reclamation deposit		(110,185)		-
Transaction costs for Metamin		(11,631)		-
Cash acquired upon acquisition of Metamin		2,501		-
Net cash used in investing activities		(481,910)		(535,552)
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of warrants		83,333		-
Shares issued for private placement		-		2,400,000
Share issuance costs		-		(161,563)
Net cash provided by financing activities		83,333		2,238,437
Effect of exchange rate changes on cash		5,352		(1,918)
Change in cash during the year		(637,944)		1,465,501
Cash, beginning of year		1,563,570		98,069
Cash, end of year	$	925,626	$	1,563,570

Supplemental cash flow information – Note 13

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

ENCORE ENERGY CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2018 and 2017
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Cumulative translation adjustment	Deficit	Total
Balance as at December 31, 2016	**71,492,750**	**$ 21,239,438**	**$ 823,573**	**$ 782,040**	**$ (19,127,177)**	**$ 3,717,874**
Shares issued for private placement	40,000,000	2,400,000	-	-	-	2,400,000
Share issuance costs	-	(329,235)	167,672	-	-	(161,563)
Stock option expense	-	-	21,505	-	-	21,505
Loss and comprehensive loss for the year	-	-	-	(269,761)	(229,415)	(499,176)
Balance as at December 31, 2017	**111,492,750**	**23,310,203**	**1,012,750**	**512,279**	**(19,356,592)**	**5,478,640**
Shares issued for exercise of warrants	833,334	83,333	-	-	-	83,333
Shares issued for share purchase agreement	3,000,000	150,000	-	-	-	150,000
Shares issued for intangible assets	3,000,000	360,000	-	-	-	360,000
Stock option expense	-	-	38,330	-	-	38,330
Loss and comprehensive income (loss) for the year	-	-	-	341,412	(402,780)	(61,368)
Balance as at December 31, 2018	**118,326,084**	**$ 23,903,536**	**$ 1,051,080**	**$ 853,691**	**$ (19,759,372)**	**$ 6,048,935**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

enCore Energy Corp. was incorporated on October 30, 2009 under the Laws of British Columbia, Canada. enCore Energy Corp., together with its subsidiaries (collectively referred to as the "Company" or "enCore"), is principally engaged in the acquisition and exploration of resource properties in the United States. The Company's common shares trade on the TSX Venture Exchange under the symbol "EU.V."

The Company's head office is located at #510 – 580 Hornby Street, Vancouver, BC.

The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. For the year ended December 31, 2018, the Company reported a net loss of $402,780 and as at that date had a net working capital of $639,326 and an accumulated deficit of $19,759,372. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. Management is actively seeking additional financing and, while it has successfully done this in the past, there is no assurance that it will continue to be able to do so in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2018.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements were approved for issuance by the board of directors on April 16, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company's share capital. All significant intercompany transactions and balances have been eliminated.

The consolidated financial statements include the financial statements of the Company and its significant subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity	Functional Currency
Tigris Uranium US Corp.	Nevada, USA	100%	Mineral Exploration	USD
Metamin Enterprises US Inc.	Utah, USA	100%	Mineral Exploration	USD

Cash

Cash is comprised of cash held at banks and demand deposits.

Provision for environmental rehabilitation

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

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in a provision due to the passage of time is recognized as finance expense. The Company has no environmental rehabilitation obligations at this time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Mineral properties

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

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned, the property is written down to its recoverable amount. Mineral properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of property option agreements. Such payments are made entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of mineral property.

Impairment of financial and non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and the value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects a current market assessment of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Intangible assets

Intangible assets are recognized and measured at cost. Intangible assets with indefinite useful lives are assessed for impairment annually and whenever there is an indication that the intangible asset may be impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income taxes

Income tax expense 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. Current tax expense is the expected tax payable on 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 using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that do not affect either accounting or taxable loss or those differences relating to investments in subsidiaries to the extent that they are not probable to 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 date of the statements of the financial position.

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it is not recorded.

Foreign exchange

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is the Canadian dollar. The functional currency of enCore Energy Corp. is the Canadian dollar and the functional currency of Tigris Uranium US Corp. and Metamin Enterprise US Inc. is the US dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to loss and comprehensive loss.

The statement of financial position of each foreign subsidiary is translated into Canadian dollars using the exchange rate at the statement of financial position date and the statement of loss and comprehensive loss is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation of a subsidiary from the functional currency to the presentation currency are charged to other comprehensive income (loss).

Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share-based payments

The fair value of all stock options granted to directors, officers, and employees is recorded as a charge to operations and a credit to contributed surplus. The fair value of these stock options is measured at the grant date using the Black-Scholes option pricing model. The fair value of stock options which vest immediately is recorded at the grant date. For stock options which vest in the future, the fair value of stock options, as adjusted for the expected level of vesting of the stock options and the number of stock options which ultimately vest, is recognized over the vesting period. Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Warrants issued to brokers are measured at their fair value on the vesting date and are recognized as a deduction from equity and credited to contributed surplus. The fair value of stock options and warrants issued to brokers are estimated using the Black-Scholes option pricing model. Any consideration received on the exercise of stock options and/or warrants, together with the related portion of contributed surplus, is credited to share capital.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore its exploration and evaluation assets. These equity financing transactions may involve the issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are valued based on the residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

New Accounting Standards Adopted During The Year

IFRS 9 – Financial Instruments ("IFRS 9")

The Company adopted all of the requirements of IFRS 9 – Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Accounting Standards Adopted During The Year (cont'd)

IFRS 9 – Financial Instruments ("IFRS 9") (cont'd)

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Receivable	Loan and receivable	Amortized cost
Reclamation deposit	NA	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

The Company did not restate prior periods and determined that the adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 1, 2018.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Accounting Standards Adopted During The Year (cont'd)

IFRS 9 – Financial Instruments ("IFRS 9") (cont'd)

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

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

In May 2014, IASB issued IFRS 15 to replace IAS 18 – Revenue, which establishes a new single five-step control-based revenue recognition model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The amended standard was adopted on January 1, 2018 and did not have an impact on the consolidated financial statements.

New Accounting Standards Issued But Not Yet Effective

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

The Company does not expect the adoption of IFRS 16 will have a significant impact on the consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although management uses historical experience and its best knowledge of the expected amounts, events or actions to form the basis for estimates, actual results may differ from these estimates. Significant accounting estimates and judgments include the following:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

Critical accounting estimates:

The assessment of the recoverable amount of mineral properties as a result of impairment indicators - When indicators of impairment are identified, recoverable amount calculations are based either on discounted estimated future cash flows or on comparable recent transactions. The assumptions used are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these assumptions may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of loss and comprehensive loss and the resulting carrying values of assets.

Share-based payments - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Amortization and impairment of intangible assets - Amortization of intangible assets is dependent upon the estimated useful lives, which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Critical accounting judgments:

The assessment of indicators of impairment for mineral properties - The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the Company's future plans to explore and evaluate a mineral property.

Business combinations - The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of Metamin was determined to constitute an acquisition of assets (note 5).

Determination of functional currency - In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company is the Canadian dollar and the functional currency of its subsidiaries is the U.S. dollar.

4. INTANGIBLE ASSETS

During the year ended December 31, 2018, the Company entered into an agreement with VANE Minerals (US) LLC ("VANE") which grants the Company exclusive access to certain VANE uranium exploration data and information as well as a first right of refusal covering seven of Vane's current uranium projects in Arizona and Utah. In exchange for this exclusive access and rights, the Company issued 3,000,000 common shares at a fair value of $360,000 and has granted VANE certain back-in rights for any projects developed from the use of the data. The primary term of the agreement is five years and may be renewed by the Company by written notice for three successive renewal periods of three years each. Thus, the Company's access to these data may extend for 14 years. The intangible assets have been determined to have an indefinite life.

The following table summarizes the continuity of the Company's intangible assets:

Balance, December 31, 2016 and 2017	$	-
Additions:		
Access and rights to the exploration data		360,000
Balance, December 31, 2018	$	360,000

5. PURCHASE OF MINERAL PROPERTIES

On March 14, 2018 (the "Closing Date"), the Company completed the acquisition of Metamin Enterprises US Inc. ("MEUS").

The acquisition of MEUS was treated as an asset acquisition. The fair value of the assets acquired and liabilities assumed as at the date of acquisition were as follows:

Consideration		
Cash	$	280,123
Value of 3,000,000 common shares issued		150,000
Transaction costs		11,631
Total consideration value:	$	441,754

Cash payment is comprised of:

i) $55,000 cash payment;

ii) $110,185 payment to the vendor for reclamation bond repayment and;

iii) $114,938 of property holding costs (incurred as deferred acquisition costs in fiscal year 2017).

Net assets acquired		
Cash	$	2,501
Reclamation bond		110,185
Exploration and evaluation assets		336,994
Accounts payable and accrued liabilities		(7,926)
Net assets acquired:	$	441,754

6. MINERAL PROPERTIES

	Crownpoint and Hosta Butte	Marquez and Nose Rock, New Mexico	Moonshine Springs, Arizona	Other properties	Metamin	Total
Balance, December 31, 2016	$ 2,982,990	$ 562,438	$ 215,410	$ 231,488	$ -	$ 3,992,326
Exploration costs:						
Maintenance fees	-	163,607	8,549	46,456	-	218,612
Currency translation adjustment	(203,004)	(42,513)	(14,660)	(15,936)	-	(276,113)
Balance, December 31, 2017	2,779,986	683,532	209,299	262,008	-	3,934,825
Acquisition costs (Note 5)	-	-	-	-	336,994	336,994
Exploration costs:						
Maintenance fees	-	115,070	8,819	42,205	141,501	307,595
Currency translation adjustment	241,744	61,468	18,531	24,332	7,481	353,556
Balance, December 31, 2018	$ 3,021,730	$ 860,070	$ 236,649	$ 328,545	$ 485,976	$ 4,932,970

Energy Fuels Agreement

During the year ended December 31, 2015, the Company entered into a comprehensive asset purchase agreement ("Agreement") with Energy Fuels Inc. and its subsidiaries ("Energy Fuels") to acquire a Toll Milling processing right and a 100% interest in the Marquez and Nose Rock projects in New Mexico, the Moonshine Springs project in Arizona, and four projects in the White Canyon District of Utah. Terms of the Agreement included the payment of USD$179,960 ($249,748) in cash at closing (paid) to Energy Fuels along with the issuance of 14.25 million of the Company's common shares (issued at a fair value of $427,500). A final payment of USD$150,000, due on June 4, 2016, was extended by an amending agreement dated May 10, 2016. As per the amendment, the outstanding payment accrued interest at a rate of 7% from June 4, 2016 until the date the fee was fully paid. During the year ended December 31, 2017, the Company paid USD$157,940 ($206,734) which included the full balance of the principal outstanding and accrued interest of USD$7,940 ($10,393).

Toll Milling Agreement

The Toll Milling provision of the Agreement allowed the Company to process conventional uranium ore from the acquired projects at Energy Fuels' White Mesa mill in Blanding County, Utah. The agreement is for an initial period of two years with renewal provisions and contains industry-standard provisions. The agreement expired in January 2018.

Marquez, New Mexico

The Marquez project consists of private mineral leases located in McKinley and Sandoval counties of New Mexico.

6. MINERAL PROPERTIES (cont'd)

Nose Rock, New Mexico

The Nose Rock Project is located in McKinley County, New Mexico, on the northern edge of the Grants Uranium District. The Nose Rock property consists of 42 owned unpatented lode mining claims.

Moonshine Springs, Arizona

The Moonshine Springs project is located in Mohave County, Arizona. The project comprises 23 owned unpatented lode mining claims along with 7 unpatented lode mining claims under lease.

Other Properties

The White Canyon District, Utah property package includes the Geitus, Blue Jay, Marcy Look, and Cedar Mountain projects, which are located 40-65 miles to the northwest of the White Mesa Mill at Blanding County, Utah.

Crownpoint and Hosta Butte Properties

The Company owns a 100% interest in the approximately 113,000 acre McKinley properties and a 60% - 100% interest in the adjacent Crownpoint and Hosta Butte properties, all of which are located in McKinley County, New Mexico. The Company holds a 60% interest in a portion of a certain section at Crownpoint. The Company owns a 100% interest in the rest of the Crownpoint and Hosta Butte project area, subject to a 3% gross profit royalty on uranium produced.

Metamin

During the year ended December 31, 2018, the Company entered into an agreement with Metamin Enterprises Inc. ("Metamin"), a private British Columbia company, to acquire Metamin's wholly owned subsidiary,"MEUS", which includes 13,605 acres of prospective uranium mining properties located in the States of Arizona, Utah and Wyoming, USA. Pursuant to the agreement, the Company paid Metamin $55,000 in cash and $114,938 in property holding costs, replaced a $110,185 ($85,500 USD) cash bond and issued 3,000,000 common shares at a fair value of $150,000 as consideration for the acquisition. As at December 31, 2018, the Company holds a reclamation bond of $116,639 ($85,500 USD) related to the property.

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	December 31, 2018	December 31, 2017
Trade payables and accruals	$ 51,544	$ 29,513
Total	$ 51,544	$ 29,513

During the year ended December 31, 2017, the Company settled certain accounts payable with its suppliers and accordingly recorded a gain on settlement of accounts payable of $56,448.

8. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited common and preferred shares without par value.

During the year ended December 31, 2018, the Company issued:

i) 3,000,000 common shares valued at $150,000 in relation to a share purchase agreement (Note 5);

ii) 3,000,000 common shares valued at $360,000 in relation to the acquisition of intangible assets (Note 4);

iii) 833,334 common shares on the exercise of warrants for proceeds of $83,333.

During the year ended December 31, 2017, the Company closed a private placement for an aggregate of $2,400,000 comprised of 40,000,000 units at a price of $0.06 per unit. Each unit consisted of one common share (the "Shares") and one-half share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share at a price of $0.10 for a period of three years from the date of issue of the warrants. The warrants may be accelerated under certain terms if the stock price closes for 20 business days at $0.80 or more. In connection with the financing, the Company paid $161,563 of cash share issuance costs and granted 1,516,667 finders' warrants ("Finder's Warrant) fair valued at $167,672. Each Finder's Warrant is exercisable for the purchase of one unit (a "Finder Unit") of the Company for a period of three years at an exercise price of $0.06 per Finder Unit. Each Finder Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each whole such warrant, a "Finder's Unit Warrant"), with each Finder's Unit Warrant being exercisable into one common share of the Company for a period of three years from the original date of issuance of the Finder's Warrant, at a price of $0.10 per share.

Stock options

The Company has adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the outstanding common shares at the time of the grant. The options can be granted for a maximum of five years and vest as determined by the Board of Directors.

The Company's stock options outstanding as at December 31, 2018 and December 31, 2017, and the changes for the years then ended, are as follows:

	Outstanding Options	Weighted Average Exercise Price	Weighted Average Life (years)
Balance, December 31, 2016	4,245,000	$ 0.05	3.19
Granted	505,000	0.10	
Forfeited/expired	(25,000)	0.45	
Balance, December 31, 2017	4,725,000	0.06	2.44
Granted	815,000	0.06	
Forfeited/expired	(30,000)	0.08	
Balance, December 31, 2018	5,510,000	$ 0.06	1.86
Exercisable, December 31, 2018	4,665,500	$ 0.05	

8. SHARE CAPITAL AND RESERVES (cont'd)

Stock options (cont'd)

As at December 31, 2018, incentive stock options were outstanding as follows:

Outstanding Options	Exercise Price	Expiry Date
2,795,000	$ 0.05	December 19, 2019
475,000	$ 0.05	December 31, 2019
950,000	$ 0.05	January 6, 2021*
490,000	$ 0.10	May 11, 2022**
800,000	$ 0.06	May 15, 2023***
5,510,000		

*Subsequent to December 31, 2018, 400,000 options were exercised for proceeds of $20,000.
**Subsequent to December 31, 2018, 30,000 options were exercised for proceeds of $3,000 and 10,000 options expired unexercised.
***Subsequent to December 31, 2018, 12,500 options were exercised for proceeds of $750 and 37,500 options expired unexercised.

During the year ended December 31, 2018, the Company granted 815,000 options with an exercise price of $0.06. The options vest 25% every six months commencing six months after the grant date. During the year ended December 31, 2017, the Company granted 505,000 options with an exercise price of $0.10. The options vest 25% every six months commencing six months after the grant date.

During the year ended December 31, 2018, the Company recognized stock option expense of $38,330 (2017 - $21,505) for the vested portion of the stock options.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Risk-free interest rate	2.31%	1.03%
Expected life of option	5.00 years	5.00 years
Expected dividend yield	0%	0%
Expected stock price volatility	189.46%	159.74%
Fair value per option	$0.06	$0.07

8. SHARE CAPITAL AND RESERVES (cont'd)

Share purchase warrants

The Company's share purchase warrants outstanding as at December 31, 2018 and 2017, and the changes for the years then ended, are as follows:

	Outstanding Warrants	Weighted Average Exercise Price	Weighted Average Life (years)
Balance, December 31, 2016	-	$ -	-
Granted	21,516,669	0.10	
Balance, December 31, 2017	21,516,669	0.10	2.13
Exercised	833,334	0.10	
Balance, December 31, 2018	20,683,335	$ 0.10	1.13

As at December 31, 2018, share purchase warrants were outstanding as follows:

Outstanding Warrants	Exercise Price	Expiry Date
19,166,668	$ 0.10	February 15, 2020
1,516,667	0.06	February 15, 2020*
20,683,335**		

*These finders' warrants are exercisable into units comprising of a common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share at the price of $0.10 per share until February 15, 2020.

**Subsequent to December 31, 2018, 1,241,667 warrants were exercised at $0.10 and 1,516,667 warrants were exercised at $0.06 for total proceeds of $215,167. The 1,516,667 warrants exercised at $0.06 were exercised into units resulting in the issuance of 758,333 new warrants exercisable at $0.10 per share until February 15, 2020.

During the year ended December 31, 2017, the Company granted 1,516,667 finders' warrants with an initial fair market value of $167,672 or $0.11 per warrant which was recorded as share issue costs. The following weighted average assumptions were used for the Black-Scholes valuation of the finders' warrants for the years ended December 31, 2018 and 2017:

	2018	2017
Risk-free interest rate	-	0.97%
Expected life of warrant	-	3.00 years
Expected dividend yield	-	0%
Expected stock price volatility	-	182.01%
Fair value per warrant	-	$0.11

9. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, the Company incurred $77,275 (2017 - $78,206) in staff costs for the Chief Executive Officer and $35,000 (2017 - $30,000) in general and administrative fees for the Chief Financial Officer. As at December 31, 2018, the Company owed the Chief Executive Officer $245,556 (December 31, 2017 - $150,607). As at December 31, 2018, the Company owed the Chief Financial Officer $6,300 (December 31, 2017 - $Nil).

These services were incurred in the normal course of operations for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities.

Key management includes Directors and Officers of the Company. The compensation paid or payable to key management for services during the years ended December 31, 2018 and 2017 is as follows:

		2018		2017
Staff costs	$	77,275	$	78,206
Stock option expense		29,703		15,290
Office and administration fees		35,000		30,000
Total key management compensation	$	141,978	$	123,496

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to support the exploration and evaluation of its mineral properties and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, and acquire or dispose of assets.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There were no changes in the Company's approach to capital management during the year ended December 31, 2018. The Company is not subject to any capital requirements imposed by a regulator.

11. FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

Level 1- Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Values based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Values based on prices or valuation techniques that are not based on observable market data.

Cash is measured at Level 1 of the fair value hierarchy. The fair value of receivables, accounts payable and accrued liabilities, and amounts due to related parties approximates fair value due to the short term nature of the financial instruments. The Company classified its receivables as amortized cost. Accounts payable and accrued liabilities and due to related parties are classified and measured at amortized cost.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure, but has no hedge positions.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and due to related parties that are denominated in US dollars. At December 31, 2018, a 10% change in the value to the US dollar as compared to the Canadian dollar would affect net loss and shareholders' equity by approximately $21,000.

Credit Risk

Credit risk arises from cash held with banks and financial institutions and receivables. The maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company's cash is primarily held with a major Canadian bank.

Market Risk

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company's ability to raise capital to fund exploration.

Interest Rate Risk

Interest rate risk mainly arises from the Company's cash, which receives interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible.

11. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The majority of the Company's accounts payable and accrued liabilities are payable in less than 90 days. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing.

12. SEGMENTED INFORMATION

The Company operates in a single segment: the acquisition and exploration of mineral properties in the United States. The Company's mineral properties are located in the United States.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the year ended December 31, 2018 include the following:

a) Issued 3,000,000 common shares valued at $360,000 related to the acquisition of intangible assets.

b) Issued 3,000,000 common shares valued at $150,000 related to the acquisition of Metamin.

c) Applied deferred acquisition costs of $114,938 towards the acquisition cost of Metamin which were recorded as exploration and evaluation assets.

Significant non-cash transactions for the year ended December 31, 2017 include the following:

a) Issued 1,516,667 finders' warrants valued at $167,672 related to the private placement.

b) Included in mineral property is $25,000 which relates to accounts payable and accrued liabilities.

14. COMMITMENT

The Company has entered into a lease agreement for its premises in Utah, USA. The annual lease commitments are USD$2,000 for 2018 and USD$1,000 for 2019 respectively.

15. INCOME TAXES

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

	2018	2017
Loss for the year	$ (402,780)	$ (229,415)
Expected income tax (recovery)	(109,000)	(60,000)
Change in statutory foreign tax, foreign exchange rates and other	(27,000)	(52,000)
Permanent differences	10,000	6,000
Share issue costs	-	(42,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	-	(49,000)
Change in unrecognized deductible temporary differences	126,000	197,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2018	2017
Deferred tax assets (liabilities)		
Exploration and evaluation assets	$ 23,000	$ -
Property and equipment	28,000	26,000
Share issue costs	26,000	35,000
Allowable capital losses	696,000	696,000
Change in unrecognized deductible temporary differences	1,367,000	1,257,000
	2,140,000	2,014,000
Unrecognized deferred tax assets	(2,140,000)	(2,014,000)
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2018	Expiry Date Range	2017	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	$ 110,000	No expiry date	$ -	No expiry date
Property and equipment	103,000	No expiry date	98,000	No expiry date
Share issue costs	97,000	2019 to 2021	129,000	2018 to 2021
Allowable capital losses	2,579,000	No expiry date	2,579,000	No expiry date
Non-capital losses available for future period	5,085,000	2028 to 2038	4,671,000	2028 to 2037

Tax attributes are subject to review, and potential adjustment, by tax authorities.

16. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2018, the Company issued 420,000 stock options to consultants at an exercise price of $0.125 for 5 years and 200,000 stock options to a consultant at an exercise price of $0.135 for 5 years.