CSE FORM 2A

LISTING STATEMENT

COPPER ONE INC.

August 21, 2019

The Issuer has limited experience operating as an investment company. In addition, approximately 40% of the available funds of the Issuer are anticipated to be allocated to general and administrative expenses. A significant portion of these expenses are compensation to related parties of the Issuer, particularly management and consulting fees. The Issuer will require additional financing in order to make further investments or take advantage of future opportunities.

See "Risk Factors"- "Additional Financing" and "Management and Administrative Expenses" and the table outlining the proposed use of funds under "Narrative Description of the Business" for additional information concerning the foregoing.

1. Table of Contents

a) Glossary

The following terms have the meanings set out below.

Affiliate	means a company that is affiliated with another company as described below: A company is an "Affiliate" of another company if: (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if: (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by: (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.
Associate	has the meaning ascribed to such term in the *Securities Act* (Ontario).
BCBCA	means the *Business Corporations Act* (British Columbia), as amended, together with its regulations.
Board of Directors	means the board of directors of the Issuer.
Change of Business	means a redeployment of the Issuer's assets or resources that results in a change of the Issuer's business from a "mineral resource company" to an "investment company" under the rules of the CSE.
CBCA	means the *Canada Business Corporations Act*, as amended, together with its regulations.
Common Share	means a common share in the capital of the Issuer.
company	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
CSE or Exchange	means the Canadian Securities Exchange.
Escrow Agreement	means the escrow agreement to be entered into on the date the Issuer's securities are listed on the CSE among the Issuer, the Escrow Agent, and the holders of the Transaction Escrowed Shares, providing for the escrow of the Transaction Escrowed Shares.
Escrow Agent	means TSX Trust Company.
Exchange Requirements	means the by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.
Final Exchange Bulletin	means the bulletin which is issued by the Exchange that evidences the date the Common Shares will be posted and listed for trading on the Exchange.

Insider	if used in relation to the Issuer, includes: (a) a director or senior officer of the Issuer; (b) a director or senior officer of a company that is an insider or subsidiary of the Issuer; and (c) a Person that beneficially owns or controls, directly or indirectly, securities carrying more than 10% of the voting rights attached to all outstanding securities of the Issuer.
Investment Policy	means the Issuer's investment policy, a complete copy of which is appended as Exhibit "B" to this Listing Statement, as may be amended from time to time.
Issuer or Copper One	means Copper One Inc., a corporation continued pursuant to the CBCA.
Listing Statement	means this Listing Statement.
MD&A	means management's discussion and analysis of financial condition and operating results.
MI 61-101	means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.
Option Agreements	means agreements pursuant to which stock options have been granted under the Issuer's Option Plan.
Option Plan	means the stock option plan of the Issuer.
Person	means a company or an individual.
Related Party Transaction	has the meaning ascribed to that term in MI 61-101, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where circumstances exist which may compromise the independence of the issuer with respect to the transaction.
Shareholders	means Persons holding Common Shares.
Transaction Escrowed Shares	means 3,359,346 Common Shares to be escrowed pursuant to Exchange Requirements.
TSXV	means the TSX Venture Exchange.

b) Caution Relating to Forward-Looking Information

This Listing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Listing Statement. Such forward-looking statements are based on the beliefs of Copper One’s management and speak only as of the date of this Listing Statement and include, but are not limited to, statements with respect to:

- the ability of the Issuer to obtain necessary financing;
- the performance of the Issuer’s business and operations as it relates to any of the Issuer’s investments;
- the Issuer’s expected market and the profitability thereof;
- the Issuer’s future liquidity and financial capacity;
- anticipated and unanticipated costs;
- costs, timing and future plans concerning the business and operations of the Issuer; and
- the economy generally.

The forward-looking statements contained in this Listing Statement are based on a number of assumptions which Copper One’s management believe to be reasonable based on information currently available, but which may prove to be incorrect, including, but not limited to:

- the Issuer’s ability to raise capital to finance the acquisition of investments in accordance with its Investment Policy;
- in connection with the Change of Business, the Issuer’s ability to satisfy certain requirements as an “investment company” pursuant to Section 1.7 of Appendix A to CSE Policy 2 – Qualifications for Listing;
- the availability of attractive investment opportunities that fall within the rubric of the Investment Policy; and
- costs, timing and future plans concerning operations of the Issuer and/or its investments being consistent with current expectations.

These forward-looking statements should not be relied upon as representing the Issuer’s views as of any date subsequent to the date of this Listing Statement. Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Issuer. Additional factors are noted under “Risk Factors” in this Listing Statement.

The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Listing Statement are made as of the date of this Listing Statement and the Issuer does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable law.

2. Corporate Structure

2.1 State the full corporate name of the Issuer or, if the Issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the Issuer's head and registered office.

The Issuer’s head and registered office are located at 65 Queen Street West, Suite 800, Toronto, ON M5H 2M5.

2.2 State the statute under which the Issuer is incorporated or continued or organized or, if the Issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the Issuer is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of the Issuer.

The Issuer was incorporated in British Columbia pursuant to the BCBCA under the name Continent Resources Inc. on November 8, 2005. The Issuer subsequently was continued into Alberta on January 12, 2006 pursuant to the *Business Corporations Act* (Alberta); it was continued back into British Columbia pursuant to the BCBCA on August 18, 2008; and on October 12, 2009, it was continued under section 187 of the CBCA. Concurrently with its continuation under the CBCA, the Issuer changed its name to Copper One Inc. The Common Shares were approved for trading on the Canadian Trading and Quotation System (“CNQ”, a predecessor to the CSE) on July 30, 2007. On November 16, 2009 and November 17, 2009, the Common Shares were approved for trading on the TSXV and delisted from the CNQ, respectively. The Common Shares were halted from trading on the TSXV on March 19, 2019 pending the announcement of the Change of Business.

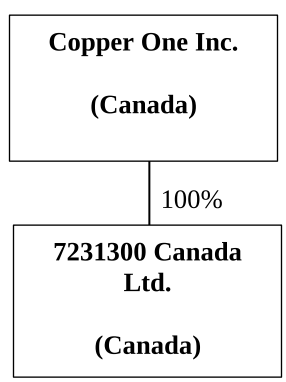
2.3 Describe, by way of a diagram or otherwise, the intercorporate relationships among the Issuer and the Issuer's subsidiaries. For each subsidiary state

(a) the percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by the Issuer;

(b) the place of incorporation or continuance; and

(c) the percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by the Issuer.

The corporate structure of the Issuer is as follows:



2.4 If the Issuer is requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.

The Issuer plans to list its shares on the CSE following the Change of Business.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4.

Not applicable.

3. General Development of the Business

3.1 Describe the general development of the Issuer's business over its three most recently completed financial years and any subsequent period. Include only major events or conditions that have influenced the general development of the Issuer's business. If the business consists of the production or distribution of more than one product or the rendering of more than one kind of service, describe the principal products or services. Also discuss changes in the business of the Issuer that are expected to occur during the current financial year of the Issuer.

The Issuer was previously engaged in the exploration, development and exploitation of mineral resources at its Rivière Doré Copper Nickel property ("Rivière Doré") located southeast of the town of Val D'Or, Quebec. However, as a result of what the Issuer expects were discussions between the Algonquins of Barrière Lake, who denounced the *Mining Act* (Quebec) as illegal and unconstitutional, and the Ministry of Energy and Natural Resources of Quebec, the Issuer entered into a settlement agreement which facilitated an end to its participation in the Rivière Doré project. On December 21, 2017, as consideration for the Issuer assigning all of its mining claims in the Rivière Doré project to a third party, the Quebec Government paid it $8 million in cash.

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project, located in the Extremadura region of Spain. The transaction is described in greater detail below, under "Las Morras (Spain) Option".

Given that mineral resource exploration and development is risky and requires significant financial and human resources, it has been a core part of Copper One's strategy to seek opportunities to maximize Shareholder value by actively looking for potential strategic transactions. In recent years, the downturn in the capital markets for raising capital for junior resource companies and the continued volatility of the markets made it difficult for the Issuer to continue to raise funds to advance its exploration and development projects. Throughout 2018, and into the first quarter of 2019, the Issuer was without active business operations. After a careful review of the Issuer's resources and strategic options, and given the expertise and skill sets of the Issuer's directors, the Board of Directors determined unanimously that the optimal allocation of the Issuer's working capital would be within the framework of an investment company, and that the Change of Business is in the best interests of the Issuer and its Shareholders.

On March 19, 2019, trading in the Common Shares was halted on the TSXV pending the announcement of the Change of Business. The Issuer subsequently delisted the Common Shares from the TSXV and trading is expected to commence on the Exchange shortly following the issuance of the Final Exchange Bulletin.

On August 14, 2019, in connection with the transition to an investment company, Copper One completed a private placement investment of $550,000 in convertible promissory notes, into OjO Electric, LLC ("**OjO**"), Such promissory notes accrue interest at 7% per annum and converts either pursuant to a change of control of the OjO or if a $3,000,000 equity financing is completed.

OjO is a California limited liability company based out of Oxnard, California dedicated to providing safe, sustainable micromobility solutions in collaboration with municipal governments to reduce traffic congestion and carbon emissions. Micro-mobility ridesharing solutions, being personal individual electric vehicles, such as e-scooters, rentable by-the-minute through a smartphone app can effectively replace most personal car and ride-hailing trips, as well as deliver first- and last-mile solutions for public transit, in congested metro areas.

OjO's patented, custom-engineered rideshare scooter is the culmination of four years of development. Its design differentiates OjO from the competition, which have almost exclusively deployed white-labelled commodity kickscooters. In contrast, the OjO scooter has a seat, so riders can choose to stand or remain comfortably seated for their ride, as well as a number of safety focused enhancements and a heavy-gauge aluminum chassis for optimal strength to withstand the demands of rideshare usage. Built for bike lanes and streets, away from sidewalks and pedestrians, the zero emission, fully-electric OjO scooter has two swappable 48-volt lithium ion batteries that allow it to go up to 50 miles on a full charge at bike-lane-legal top speeds of 20 mph. OjO customers typically enjoy longer rides than typical kick-scooter riders, and increased mileage traveled and drive time reduces cars on the road and emissions.

OjO has also entered into binding agreement to complete a transaction with Arcturus Ventures Inc. ("**Arcturus**"), which is listed on the NEX board of the TSXV, to complete a business combination (the "**Transaction**") pursuant to which Arcturus will acquire OjO via a share exchange transaction that will result in a reverse take-over of Arcturus by OjO. The precise form and structure of the Transaction, including the security exchange mechanics and the terms of the securities of Arcturus issuable to OjO securityholders, will be determined having regard to advice from tax and securities law advisors of the parties, and there is no guarantee that the Transaction will be completed.

In connection with the Transaction, it is anticipated that a newly incorporated special purpose British Columbia corporation will complete a brokered private placement financing (the "**Financing**") of 9,000,000 subscription receipts ("**Subscription Receipts**") at a price of $0.76 per Subscription Receipt for aggregate gross proceeds of $6,840,000. The convertible notes issued to Copper One will convert into common shares of the resulting issuer of the Transaction in the event that the Financing is completed.

3.2 Disclose:

(1)(a) any significant acquisition completed by the Issuer or any significant probable acquisition proposed by the Issuer, for which financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus; and

Not applicable.

(b) any significant disposition completed by the Issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under National Instrument 41-101 *General Prospectus Requirements* if this Listing Statement were a prospectus.

Not applicable.

(2) Under paragraph (1) include particulars of

(a) the nature of the assets acquired or disposed of or to be acquired or disposed of;

Not applicable.

(b) the actual or proposed date of each significant acquisition or significant disposition;

Not applicable.

(c) the consideration, both monetary and non-monetary paid, or to be paid, to or by the Issuer;

Not applicable.

(d) any material obligations that must be complied with to keep any significant acquisition or significant disposition agreement in good standing;

Not applicable.

(e) the effect of the significant acquisition or significant disposition on the operating results and financial position of the Issuer;

Not applicable.

(f) any valuation opinion obtained within the last 12 months required under Canadian securities legislation, a directive of a Canadian securities regulatory authority, or a requirement of a Canadian stock exchange or other Canadian market to support the value of the consideration received or paid by the Issuer or any of its subsidiaries for the assets, including the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets; and

Not applicable.

(g) whether the transaction is with a Related Party of the Issuer and if so, disclose the identity of the other parties and the relationship of the other parties to the Issuer.

Not applicable.

3.3 Discuss any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations, providing forward-looking information based on the Issuer's expectations as of the date of the Listing Statement.

There are significant risks associated with the business of the Issuer, as described above and in *Section 17 – Risk Factors*. Readers are strongly encouraged to carefully read all of the risk factors contained in *Section 17 – Risk Factors.* In addition, please see the forward-looking statements that are outlined commencing on page 5 of this Listing Statement.

4 Narrative Description of the Business

4.1 General

(1) Describe the business of the Issuer with reference to the reportable operating segments as defined in the Handbook and the Issuer's business in general. Include the following for each reportable operating segment of the Issuer:

(a) state the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

Overview

The Issuer determined to refocus its business operations from a mineral resource exploration and development company to an investment company after a strategic review completed in 2019. The Issuer believes that the experience and contacts of its Board of Directors and management enables it to identify and capitalize upon investment opportunities as an investment company operating in accordance with the Issuer’s proposed Investment Policy, which is summarized below under “Investment Strategy”. The Issuer’s primary focus is to seek returns through investments in equity, debt or other securities of publicly traded or private companies or other entities, providing financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets. In particular, the Issuer will focus on the resource, technology and agriculture industries, including cannabis. These investments will primarily be in North American based entities, although certain properties owned by companies engaged in the resource sector may be located outside of North America. In connection with the Change of Business, the Company has adopted an Investment Policy to govern its investment activities and investment strategy. A complete copy of the Investment Policy is attached as Exhibit “B” to this Listing Statement.

Business Objectives

Following the Change of Business, the Issuer intends to carry on business with the objective of enhancing Shareholder value. The Issuer will seek to accomplish this objective by making use of the experience, expertise and opportunity flow of its management and Board of Directors to opportunistically make investments in situations that the Issuer believes will provide superior returns. Such investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities.

The principal investment objectives of the Issuer will be as follows:

- to seek high return investment opportunities through direct investment in property and indirect investment via equity or debt holdings;
- to identify early stage investment opportunities with attractive risk to reward ratios through industry contacts of the Board of Directors, its advisory board, the Investment Committee and management;
- to preserve its capital and limit the downside risk of its investments;
- to achieve a reasonable rate of capital appreciation;
- to minimize the risk associated with investments in securities; and
- to seek liquidity in its investments.

The Issuer's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of senior management and approval by the Board of Directors. The Issuer does not anticipate the declaration of dividends to Shareholders during its initial stages and plans to re-invest the profits of its investments towards the further growth and development of the Issuer's investment portfolio.

Investment Strategy

The Investment Policy provides, among other things, that: (a) the Issuer's objective as an investment company is to enhance Shareholder value over the long term on a per share basis; (b) the Issuer will seek to accomplish this objective by making use of the experience, expertise and opportunity flow of its management and Board of Directors to opportunistically make investments in situations that the Issuer believes will provide superior returns over the long term; and (c) investments may include, without limitation, the acquisition of equity, debt or other securities of publicly traded or private companies or other entities, financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets, in each case that the Issuer believes will enhance value for the Shareholders over the long-term.

The Investment Policy provides the Issuer with broad authority with respect to the types of investments that may be made and held by the Issuer with a view to enhancing value for its Shareholders over the long term. The Investment Policy does not preclude the Issuer from investing in any particular industry and has no specific policy with respect to investment diversification, although over time it will be the goal of the Issuer to acquire and hold investments that the Issuer believes will collectively provide superior returns over the long term.

The Issuer shall initially focus on the resource, technology and agriculture industries, including cannabis. These investments will primarily be in North American based entities, although certain properties owned by companies engaged in the resource sector may be located outside of North America.

The Investment Policy also states that, depending upon the Issuer's assessment of market conditions and investment opportunities, the Issuer may, from time to time, be fully invested, partially invested or entirely uninvested such that the Issuer is holding only cash or cash equivalent balances while the Issuer actively seeks to redeploy such cash or cash-equivalent balances in suitable investment opportunities.

Notwithstanding the foregoing, the Issuer's investment objective, investment strategy and investment restrictions may be amended from time to time as approved by the Board of Directors. Additionally, notwithstanding the Investment Policy, the Board may, from time to time, authorize such additional investments outside of the disciplines set forth therein as it sees fit for the benefit of the Issuer and its Shareholders.

Implementation and Investment Evaluation Process

Management of the Issuer and the Board of Directors will work jointly to uncover appropriate investment opportunities that meet the Issuer's investment strategy as outlined above and the Issuer's objective of enhancing Shareholder value over the long term on a per share basis. These individuals have a broad range of business and investing experience and networks through which potential investments are expected to be identified. All investments considered by the Issuer will be subject to rigorous analysis and evaluation, and all major prospective investments and dispositions will be channeled through the Investment Committee of the Board of Directors, which is expected to be comprised of Stan Bharti and Fred Leigh.

Once a decision has been reached to invest in a particular investment opportunity, a short summary of the rationale behind the investment decision will be prepared by the Investment Committee and submitted to the Board of Directors. All investments shall be submitted to the Board of Directors for final approval. The Investment Committee will select all investments for submission to the Board of Directors and monitor the Issuer's investment portfolio on an ongoing basis and will be subject to the direction of the Board of Directors. In reaching an investment decision regarding an investment in any particular issuer, the Investment Committee will consider, among other things, the following factors:

- inherent value of its assets;
- proven management, clearly-defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk;
- exit strategies and criteria; and
- financial performance, including consistency of positive cash flow.

All investment decisions will be made consistent with the objective of enhancing Shareholder value over the long term on a per share basis.

Conflicts of Interest

The Issuer has no restrictions with respect to investing in companies in which a member of the Board of Directors may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Issuer may only proceed after receiving approval from the disinterested directors of the Board of Directors. The Issuer is also subject to the policies of the Exchange in connection with any Related Party Transaction.

Where a conflict is determined to exist within the Issuer's management or the Board of Directors, the individual having a conflicting interest shall provide full disclosure of his or her interest in the potential investment and, if such person is a member of the Board of Directors, shall abstain from voting on the investment decision but may participate in discussions regarding the potential investment opportunity.

The members of the Board of Directors and the Issuer's management and their respective affiliates (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Issuer. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including companies in which the Issuer may invest. The Parties may also engage in transactions with the Issuer where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on normal commercial terms as if negotiated at arm's length.

Las Morras (Spain) Option

On November 14, 2017, the Issuer acquired an option to purchase a 100% interest in the Las Morras gold project (the "**Project**"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("**Emerita**") pursuant to a binding letter agreement dated November 10, 2017 (the "**Agreement**") between Copper One and Emerita.

Pursuant to the Agreement, Emerita has granted the Issuer an option (the "**Option**") to acquire a 100% interest in the Project. As consideration for the Option, the Issuer paid $25,000 in cash on November 17, 2017 and paid an additional $75,000 in cash on January 10, 2018. In order to exercise the Option and acquire a 100% interest in the Project, the Issuer is required to:

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and
- grant to Emerita a 2% net smelter returns royalty on the Project.

Emerita will hold the Project in trust for the Issuer until the Option is exercised and the Project is assigned and transferred to the Issuer. If the Option is not exercised, Emerita will retain the Project. During the option period, the Issuer will be the operator of the Project. The original exploration permit for Las Morras was granted in 2012 and has been extended through subsequent renewals. The most recent renewal was valid until February 19, 2019. Emerita has filed a request with government authorities for an additional extension of the underlying permit and expects that approval is imminent.

This transaction was at arm's length and the Issuer has not paid any finder's fees in connection with this transaction.

Other than the Option described above, the Issuer does not currently hold any investments as of the date of this Listing Statement; the Issuer intends to deploy its capital in investment opportunities in accordance with its Investment Policy on a go-forward basis.

(b) describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

Following the Change of Business, management will need to source and identify investment opportunities to present to the Investment Committee. Management intends to devote a significant amount of time over the next year in working to identify investments for review by the Investment Committee. In order to grow the Issuer's investment portfolio, the Issuer will need additional investment capital. While the Issuer will initially have approximately $2,700,000 in cash available to acquire investments and cover general and administrative expenses, it is expected that more capital will be needed throughout the year to continue to acquire new investments. The Issuer will obtain such capital either from the divestiture of existing investments, including the Option, or from the sale of its own securities. There can be no assurance that the Issuer will be successful in raising additional capital. Please see "Risk Factors".

The fulfillment of the Issuer's business objectives will be contingent upon, among other things, compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary. The impact of applicable governmental legislative and compliance regimes and any delays in obtaining, or failures to obtain, regulatory approvals may significantly delay or otherwise have a material adverse effect on the business, results of operations and financial condition of the Issuer. See "Risk Factors".

(c) disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

As at June 30, 2019, the estimated working capital of the Issuer was approximately $3,853,304. Following completion of the Change of Business, the Issuer's estimated working capital is expected to be $3,818,304 after accounting for $35,000 in expenses to complete the Change of Business. As of March 31, 2019, interim working capital was approximately $3,996,221, with funds being spent since that time on general and administrative expenses. The Issuer may raise additional funds if necessary to complete additional investments.

The Issuer anticipates that the following funds will be available to it for the next twelve-month period after giving effect to the Change of Business:

Description of Funds	**Amount**
Available Funds of the Issuer of June 30, 2019	$3,853,304
Expenses related to the investment into convertible promissory notes of OjO	$550,000
Expenses related to the completion of the Change of Business	$35,000
Expenses related to initial exploration activities on the Project	$234,000
Expenses related to exercise of the Option on the Project	$100,000
Expenses related to further exploration activities on the Project	$166,000
General and Administrative Costs for 12 months	$1,556,600(1)
Total Working Capital Intended for Future Investments	**$1,211,704**

Note:

(1) This figure represents the following costs as well as the inclusion of $18,000 in interest income:
   a. Management and consulting fees ($685,800). Please note that all such fees shall be payable to related parties of the Issuer.
   b. General office and administration expenses ($86,800)
   c. Shareholder communication and filing fees ($68,000)
   d. Travel and promotional expenses ($698,000)
   e. Accounting and legal expenses ($36,000)

A significant portion of the available funds of the Issuer is anticipated to be allocated to general and administrative expenses, particularly management and consulting fees and travel expenses. It is anticipated that the travel fees will subsequently be reduced once the applicable work is done to exercise the Option on the Project and related investment opportunity evaluation matters. The Issuer's intentions to spend the available funds as set forth above are based on the current expectations of management; there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. Any such reallocation will be determined at the discretion of the Issuer's management, and there can be no assurance as of the date of this Listing Statement as to how those funds may be reallocated. The Issuer may require additional funds in order to fulfill all of the Issuer's expenditure requirements to meet its objectives, in which case the Issuer expects to either issue additional Common Shares or incur indebtedness. There is no assurance that additional funding required by the Issuer would be available on commercially reasonable terms, or at all, if required; however, it is anticipated that the available funds will be sufficient to satisfy the Issuer's investment objectives over at least the next 12 months.

(2) For principal products or services describe:

a) the methods of their distribution and their principal markets;

Not applicable.

b) as dollar amounts or as percentages, for each of the two most recently completed financial years, the revenues for each category of principal products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from:

(i) sales or transfers to joint ventures in which your company is a participant or to entities in which your company has an investment accounted for by the equity method,

(ii) sales to customers, other than those referred to in clause (i), outside the consolidated entity,

(iii) sales or transfers to controlling shareholders; and

(iv) sales or transfers to investees.

Not applicable.

c) if not fully developed, the stage of development of the principal products or services and, if the products are not at the commercial production stage,

(i) the timing and stage of research and development programs,

Not applicable.

(ii) the major components of the proposed programs, including an estimate of anticipated costs,

Not applicable.

(iii) whether the Issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and

Not applicable.

(iv) the additional steps required to reach commercial production and an estimate of costs and timing.

Not applicable.

(3) Concerning production and sales, disclose:

a) the actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services;

Not applicable.

b) the payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer;

Not applicable.

c) specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer;

Not applicable.

d) the sources, pricing and availability of raw materials, component parts or finished products;

Not applicable.

e) the importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks;

Not applicable.

f) the extent to which the business of the segment is cyclical or seasonal;

Not applicable.

g) a description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect;

Not applicable.

h) the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;

Not applicable.

i) the number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant;

Not applicable.

j) any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations;

Should the Issuer exercise the Option to acquire the Project as outlined above under the heading “Narrative Description of the Business- La Morras (Spain) Option, the Issuer will have operations in Spain. As such, the Issuer would be subject to the following risks:

Environmental, Health and Safety Risks

Mining and exploration operations must comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements (for the purpose of this paragraph, “laws”) drawn from a number of jurisdictions, including both Spain and the European Union. The historical trend toward stricter laws is likely to continue. The precious metals industry is subject to not only the worker health, safety and environmental risks associated with all mining businesses, including potential liabilities to third parties for environmental damage, but also to additional risks uniquely associated with mineral mining and processing. The possibility of more stringent laws or more rigorous enforcement of existing laws exists in the areas of worker health and safety, the disposition of wastes, the decommissioning and reclamation of mining, milling, refining and conversion sites and other environmental matters, each of which could have a material adverse effect on the operations of Issuer or the cost or the viability of a particular project, including the Project.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators.

Regulatory Constraints

Governmental Regulation and Policy Risks

Mining operations and exploration activities, particularly base metal mining, refining, conversion and transport in Spain are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, drilling, developing, constructing, operating and closing mineral mines and refining and other facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of Copper One with respect to the exploration and development of properties such as the Project. The Issuer will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, Copper One is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies and practices, such as those affecting exploration and development of the Project could materially and adversely affect the results of operations and financial condition of the Issuer in a particular period or in its long term business prospects.

The development of mines and related facilities is contingent upon governmental approvals, licences and permits which are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The receipt, duration and renewal of such approvals, licences and permits are subject to many variables outside the control of Copper One, including potential legal challenges from various stakeholders such as environmental groups or non-government organizations. Any significant delays in obtaining or renewing such approvals, licences or permits could have a material adverse effect on the Issuer.

Economic or Political Conditions

Political and Socio-Economic Country Risks

Any operations in Spain are subject to governmental, political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty increases, changes in mineral pricing policy, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, and other risks arising out of foreign governmental sovereignty over the areas in which the Issuer's operations are conducted.

The Issuer's future operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with Copper One's operations in Spain, the Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Issuer's exploration, development and production activities in Spain could be substantially affected by factors out of Copper One's control, any of which could have a material adverse effect on the Issuer.

The Issuer may in the future acquire mineral properties or other investments in jurisdictions outside of Spain and Canada, which expansion may present challenges and risks that Copper One has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Issuer.

Currency Fluctuations and Foreign Exchange

Copper One raises its equity in Canadian dollars and maintains the majority of its accounts in Canadian dollars. The operations of Copper One located in Spain and exploration expenses incurred in that country will be denominated primarily in euros and, to a lesser extent, United States dollars. There are risks associated with the Canadian dollar/United States dollar and Canadian dollar/Euro exchange rate.

k) a description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends;

Not applicable.

l) a description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect.

Not applicable.

4.2 Asset backed Securities Outstanding

This section is not applicable to the Issuer.

4.3 Mineral Projects

This section is not applicable to the Issuer. However, the Issuer does have an option to acquire a 100% interest in the Project, as further outlined under the heading "Narrative Description of the Business – General – Las Morras (Spain) Option", above.

4.4 Oil and Gas Operations

This section is not applicable to the Issuer.

5. Selected Consolidated Financial Information

5.1 Annual Information — Provide the following financial data for the Issuer in summary form for each of the last three completed financial years and any period subsequent to the most recent financial year end for which financial statements have been prepared, accompanied by a discussion of the factors affecting the comparability of the data, including discontinued operations, changes in accounting policies, significant acquisitions or significant dispositions and major changes in the direction of the Issuer's business:

(a) net sales or total revenues;

(b) income from continuing operations, in total and on a per share basis and fully diluted per share basis, calculated in accordance with the Handbook;

(c) net income or loss, in total and on a per share and fully diluted per share basis, calculated in accordance with the Handbook;

(d) total assets;

(e) total long-term financial liabilities as defined in the Handbook;

(f) cash dividends declared per share for each class of share; and

(g) such other information as would enhance an investor's understanding of the Issuer's financial condition and results of operations and would highlight other trends in financial condition and results of operations.

The following table sets out selected historical financial information for the Issuer for the fiscal years ended December 31, 2018, December 31, 2017 and December 31, 2016 and for the first quarter ended March 31, 2019.

Balance Sheet Data	**Year Ended December 31, 2018**	**Year Ended December 31, 2017**	**Year Ended December 31, 2016**	**First Quarter Ended March 31, 2019**
Total Revenues	Nil	Nil	Nil	Nil
Operating Profit (Loss)	$(722,872)	$(4,060,133)	$(867,814)	($452,551)
Net Profit (Loss)	$(711,562)	$3,167,908	$(761,314)	($449,602)
Total Assets	$4,581,026	$5,297,905	$2,221,232	$4,142,329
Total Long Term Liabilities	Nil	Nil	Nil	Nil
Total Liabilities	$35,203	$40,520	$131,755	$46,108
Shareholder's Equity (Deficiency)	$4,545,823	$5,257,385	$2,089,477	$4,096,221

As at the first quarter ended March 31, 2019, the total assets of Copper Once included $140,000 in "other" receivables, which was related to a wire that was cancelled and subsequently recalled and received subsequent to the quarter end.

In addition, the Issuer had prepaid expenses of $531,000 as at March 31, 2019 that consisted of the following:

1) Prepaid contract to an arms-length party that provides strategic consulting services to the Issuer ($127,600).
2) Prepayment for a 12 month period of advanced amounts for flight services ($262,500).
3) Advances for travel not yet incurred ($81,500).
4) Forbes & Manhattan requested an advance against its contract, with such funds to be recouped against future amounts payable under that contract ($59,500).

Copper One has never declared dividends, cash or otherwise, to its Shareholders.

5.2 Quarterly Information — For each of the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (c) of Section 5.1.

	1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
Three Months Ended	March 31, 2018	June 30, 2018	November 30, 2018	December 31, 2018
Total Revenues	$nil	$nil	$nil	$nil
Loss before other Income (expense)	$(152,070)	$(113,568)	$(299,967)	$(157,267)
Net Loss	$(155,009)	$(108,774)	$(295,338)	$(152,441)
Loss per share-basic and diluted	$(0.00)	$(0.00)	$(0.01)	$(0.00)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Three Months Ended	March 31, 2017	June 30, 2017	November 30, 2017	December 31, 2017
Total Revenues	$nil	$nil	$nil	$nil
Loss before other Income (expense)	$(353,826)	$(288,484)	$(343,291)	$(3,074,532)
Net (Loss) Income	$(329,730)	$(309,678)	$(261,824)	$4,069,140
(Loss) income per share-basic and diluted	$(0.01)	$(0.01)	$(0.01)	$0.12

5.3 Dividends – disclose:

(a) any restriction that could prevent the Issuer from paying dividends; and

(b) the Issuer's dividend policy and, if a decision has been made to change the dividend policy, the intended change in dividend policy.

There are no restrictions in the Issuer's articles or elsewhere, other than customary general solvency requirements, which would prevent the Issuer from paying dividends following the completion of the Change of Business.

It is anticipated that all available funds will be invested to finance the growth of the Issuer's business and accordingly it is not contemplated that any dividends will be paid on the Issuer's shares in the immediate or foreseeable future. The Board of Directors will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Issuer's financial position at the relevant time.

5.4 Foreign GAAP — An Issuer may present the selected consolidated financial information required in this section on the basis of foreign GAAP if:

(a) the Issuer's primary financial statements have been prepared using foreign GAAP; and

(b) if the Issuer is required under applicable securities legislation to have reconciled its financial statements to Canadian GAAP at the time of filing its financial statements or the Issuer has otherwise done so, a cross reference to the notes to the financial statements containing the reconciliation of the financial statements to Canadian GAAP is included.

The financial statements included in this Listing Statements have been, and the future financial statements of the Issuer shall be, prepared in accordance with International Financial Reporting Standards.

6. Management's Discussion and Analysis

Annual MD&A

6.1 The Issuer's annual Management's Discussion and Analysis for the financial years ended December 31, 2018 and December 31, 2017 can be found in Exhibit "A" to this Listing Statement. This Management's Discussion and Analysis should be read in conjunction with the Issuer's financial statements and the notes thereto for the corresponding time periods.

Interim MD&A

6.2. The Issuer's interim Management's Discussion and Analysis for the first quarter ended March 31, 2019 can be found in Exhibit "A" to this Listing Statement. This Management's Discussion and Analysis should be read in conjunction with the Issuer's interim financial statements and the notes thereto for the corresponding time periods.

7. Market for Securities

7.1 Identify the exchange(s) and quotation and trade reporting system(s) on which the Issuer's securities are listed and posted for trading or quoted.

Prior to delisting on August 13, 2019, the Issuer’s Common Shares have been listed and posted for trading on the TSXV since November 16, 2009. The Common Shares were halted on the TSXV on March 19, 2019 as a result of the announcement of the Change of Business.

8. Consolidated Capitalization

8.1 Describe any material change in, and the effect of the material change on, the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year contained in the Listing Statement.

The following table sets forth the share capital of the Issuer, on a consolidated basis:

Security	Amount Authorized or to be Authorized	Amount Outstanding as of December 31, 2018	Amount Outstanding as of the date of this Listing Statement
Common Shares	Unlimited	34,190,109	34,190,109

9. Options to Purchase Securities

9.1 State, in tabular form, as at a specified date not more than 30 days before the date of the Listing Statement, information as to options to purchase securities of the Issuer or a subsidiary of the Issuer that are held by:

(a) all executive officers and past executive officers of the Issuer as a group and all directors and past directors of the Issuer who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies, without naming them;

(b) all executive officers and past executive officers of all subsidiaries of the Issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, in each case, without naming them and excluding individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies;

(c) all other employees and past employees of the Issuer as a group, without naming them;

(d) all other employees and past employees of subsidiaries of the Issuer as a group, without naming them;

(e) all consultants of the Issuer as a group, without naming them; and

(f) any other person or company, including the underwriter, naming each person or company.

The Issuer has adopted the Option Plan, pursuant to which the Board of Directors may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Issuer, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to ten years from the date the options are granted. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

Options may be exercised up to 90 days (30 days if the optionee was engaged in investor relations activities) following cessation of an optionee's position with the Issuer, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. No options have been exercised by the directors and officers of the Issuer during the twelve months preceding the date of this Listing Statement.

The following table sets out the stock options to purchase Common Shares of the Issuer under the Option Plan as of the date of this Listing Statement.

Groups of Persons who Hold Issuer Stock Options	Number of Optionholders	Number of Stock Options	Exercise Price	Expiry Date
All executive officers of the Issuer	1	200,000	$0.19	October 11, 2021
All directors of the Issuer who are not also executive officers of the Issuer	1	683,800	$0.19	October 11, 2021
All other employees of the Issuer	N/A	N/A	N/A	N/A
All other consultants of the Issuer	7	815,000	$0.19 (815,000)	October 11, 2021
All other persons	N/A	N/A	N/A	N/A
Total:	9	1,698,800	$0.19	

Following the Change of Business, the Option Plan as described above will remain in effect. If the Issuer adopts a new stock option plan following the Change of Business, the same will be subject to Shareholder and Exchange approval.

10. Description of the Securities

10.1 General - State the description or the designation of each class of equity securities and describe all material attributes and characteristics, including:

The Issuer is authorized to issue an unlimited number of Common Shares without par value as well as preferred shares issuable in series. As of the date of this Listing Statement, no preferred shares and 34,190,109 Common Shares are issued and outstanding as fully paid and non-assessable, and 1,698,800 Common Shares are reserved for issuance upon exercise of the Stock Options as described below. Although none are currently outstanding, the Issuer has in the past issued warrants to purchase Common Shares.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per Common Share at meetings of the Shareholders and, upon dissolution, to share equally in such assets of the Issuer as are distributable to the holders of Common Shares. All Common Shares to be outstanding after completion of the Change of Business will be fully paid and non-assessable, and will not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a holder of Common Shares to contribute additional capital.

10.2 Debt securities - If debt securities are being listed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including:

Not applicable.

10.4 Other securities - If securities other than equity securities or debt securities are being listed, describe fully the material attributes and characteristics of those securities.

Not applicable.

10.5 Modification of terms:

Not applicable.

10.6 Other attributes:

Not applicable.

10.7 Prior Sales- State the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price.

Not applicable.

10.8 Stock Exchange Price:

a) if shares of the same class as the shares to be listed were or are listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the Canadian stock exchange or market on which the greatest volume of trading generally occurs;

b) if shares of the same class as the shares to be listed were or are not listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the foreign stock exchange or market on which the greatest volume of trading generally occurs; and

c) information is to be provided on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

The Issuer's Common Shares have been listed and posted for trading on the TSXV since November 16, 2009. The following table sets out trading information for the Common Shares for the periods indicated.

Period[(1)]	**High**	**Low**	**Volume**
Q2 -2017	0.08	0.03	4,846,837

Q3-2017	0.055	0.03	1,395,450
Q4-2017	0.22	0.035	22,682,270
Q1-2018	0.21	0.14	2,386,624
Q2- 2018	0.17	0.10	1,803,500
Q3- 2018	0.145	0.10	667,590
Q4- 2018	0.175	0.095	5,184,219
January 2019	0.175	0.14	1,365,007
February 2019	0.17	0.14	192,700
March 2019(2)	0.145	0.12	900,875
April 2019	N/A	N/A	N/A
May 2019	N/A	N/A	N/A
June 2019	N/A	N/A	N/A
July 2019	N/A	N/A	N/A
August 2019	N/A	N/A	N/A

Notes:
(1) References to "Q" and a number reflect the financial quarter that the information is derived from.
(2) The Common Shares were halted from trading on the TSXV on March 19, 2019 pending the announcement of the Change of Business.

11. Escrowed Securities

11.1 State as of a specified date within 30 days before the date of the Listing Statement, in substantially the following tabular form, the number of securities of each class of securities of the Issuer held, to the knowledge of the Issuer, in escrow (which, for the purposes of this Form includes any securities subject to a pooling agreement) and the percentage that number represents of the outstanding securities of that class. In a note to the table, disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow.

ESCROWED SECURITIES

Designation of class held in escrow	Number of securities held in escrow	Percentage of class following the completion of the Change of Business
Common Shares	3,359,346	9.8%

The Issuer is classified as an emerging issuer pursuant to National Policy 46-201, and as such the Transaction Escrowed Shares listed above will be released from escrow in stages over a 36 month period from the date the Issuer's securities are listed on the CSE, with 10% having been initially released and an additional 15% of such escrowed shares to be released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the date of listing. The Escrow Agent is acting as escrow agent with respect to these escrowed securities.

12. Principal Shareholders

12.1 (1) Provide the following information for each principal shareholder of the Issuer as of a specified date not more than 30 days before the date of the Listing Statement:

(a) Name;

(b) The number or amount of securities owned of the class to be listed;

(c) Whether the securities referred to in subsection 12(1)(b) are owned both of record and beneficially, of record only, or beneficially only; and

(d) The percentages of each class of securities known by the Issuer to be owned.

(2) If the Issuer is requalifying following a fundamental change or has proposed an acquisition, amalgamation, merger, reorganization or arrangement, indicate, to the extent known, the holding of each person of company described in paragraph (1) that will exist after giving effect to the transaction.

(3) If, to the knowledge of the Issuer, more than 10 per cent of any class of voting securities of the Issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(4) If, to the knowledge of the Issuer, any principal shareholder is an associate or affiliate of another person or company named as a principal shareholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the Issuer held by the person or company other than the holding of voting securities of the Issuer.

(5) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

To the knowledge of management of the Issuer, no person owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares.

13 Directors and Officers

13.1 List the name and municipality of residence of each director and executive officer of the Issuer and indicate their respective positions and offices held with the Issuer and their respective principal occupations within the five preceding years.

13.2 State the period or periods during which each director has served as a director and when his or her term of office will expire.

13.3 State the number and percentage of securities of each class of voting securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the Issuer as a group.

The following table sets out the name, city of residence, position with the Issuer, and the number and percentage of Common Shares which will be beneficially owned or controlled by each of the Issuer's directors, officers and promoters following completion of the Change of Business. All directors cease to hold office immediately before the election or appointment of directors at the next annual general meeting of the Issuer.

Name, Age and City of Residence	Positions and Offices to be Held with the Issuer	Number of Common Shares Beneficially Owned or Controlled upon Completion of the Change of Business(1)
Stan Bharti (4) Age: 66 Toronto, Ontario	President, Chief Executive Officer and Director since March 14, 2019	275,000
Fred Leigh (3) Age: 62 Toronto, Ontario	Director since March 18, 2019	Nil
Deb Battiston Age: 60 Oakville, Ontario	Chief Financial Officer since June 12, 2013	695,385
Aaron Atin Age 35 Toronto, Ontario	Corporate Secretary	Nil
Scott Moore (2) Age: 54 Toronto, Ontario	Director since February 21, 2013, President and CEO of the Issuer prior to resigning on March 14, 2019	1,788,461

Notes:

(1) Calculated on an undiluted basis.
(2) Chairman of the Board of Directors and member of the Audit Committee.
(3) Chairman of the Audit Committee and member of the Investment Committee.
(4) Member of the Investment Committee and the Audit Committee.

For particulars of the occupations of the directors and officers see “Directors and Officers” below. The directors and officers of the Issuer, as a group, will own 2,758,846 Common Shares upon completion of the Change of Business, on an undiluted basis.

13.4 Disclose the board committees of the Issuer and identify the members of each committee.

Initially, the only committee of the Board of Directors of the Issuer will be the Audit Committee.

The Audit Committee will consist of Scott Moore, Stan Bharti and Fred Leigh. The mandate of the Audit Committee will be to ensure the Issuer effectively maintains the necessary management systems and controls to allow for timely and accurate reporting of financial information to safeguard shareholder value, to meet all relevant regulatory requirements and to provide recommendations to the Board of Directors in the areas of management systems and controls.

Following the Change of Business, the Issuer will form the Investment Committee, consisting of Stan Bharti and Fred Leigh.

13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.

The following is a brief description of the directors and officers of the Issuer:

Directors and Officers

Stan Bharti – President, CEO and Director

Mr. Bharti is a professional engineer, international financier, and seasoned entrepreneur. He has more than 30 years of experience in business, finance, markets, and operations. He has amassed over $3 billion worth of investment capital for the companies that he has worked with. Mr. Bharti has been pivotal in the acquiring, financing, restructuring and building dozens of established companies and bright start-ups throughout North America, South America, Africa and Australia.

Mr. Bharti will spend approximately 20% of his time to complete his duties and responsibilities as president and CEO of the Issuer. Mr. Bharti has not entered into a non-competition or non-disclosure agreement with the Issuer and will be independent contractor to the Issuer.

G. Scott Moore – Director

Mr. Moore is a business executive with over 25 years of experience in the resource and durable goods sectors. He is the former President and CEO of Dacha Strategic Metals and presently the CEO of Euro Sun Mining Inc. and Forbes & Manhattan, Inc. and director of Fura Gems Inc. Mr. Moore was also the President and CEO of the Issuer prior to resigning on March 14, 2019. Mr. Moore holds a Bachelor of Arts degree from the University of Toronto and an MBA from the Kellogg School of Management.

Aaron Atin – Corporate Secretary

Mr. Atin is a corporate lawyer with extensive securities and corporate finance experience. Mr. Atin is currently a legal consultant to several Toronto Stock Exchange, TSXV and CSE-listed companies in various sectors including mining, financial services, agriculture and technology. Mr. Atin also acts as the Corporate Secretary of various TSXV-listed companies. Mr. Atin began his legal career as a securities law associate at Davies Ward Phillips & Vineberg LLP. Mr. Atin holds a Bachelor of Arts degree from the University of Waterloo and a J.D. from the University of Toronto, Faculty of Law.

Mr. Atin will spend approximately 10% of his time in order to complete his duties and responsibilities as corporate secretary of the Issuer. Mr. Atin has not entered into a non-competition or non-disclosure agreement with the Issuer and will be independent contractor to the Issuer.

Deborah Battiston – Chief Financial Officer

Ms. Battiston is a Certified General Accountant with over 20 years of accounting and financial management experience. At present, she is the Chief Financial Officer of a number of Canadian public companies in the mining sector. She has broad international experience having dealt with companies in over fourteen countries and having lived in Japan for several years. She has obtained a Bachelor of Arts degree in Economics from the University of Guelph.

Ms. Battiston will spend approximately 15% of her time in order to complete her duties and responsibilities as Chief Financial Officer of the Issuer. Mr. Battiston has not entered into a non-competition or non-disclosure agreement with the Issuer and will be independent contractor to the Issuer.

Fred Leigh – Director

Mr. Leigh has been involved in the junior resource sector for more than 30 years and has had a significant role as founder, director and/or investor in many public companies. He is also the founder and President of Siwash, a privately held company which, for over 23 years has invested in early stage opportunities in the resource sector. Mr. Leigh's principal occupation for the last five years has been as President of Siwash. Siwash was an early investor in successful companies such as Wheaton River Minerals, Hathor Exploration and Blue Pearl Mining.

Investment Company Experience

Mr. Leigh was previously involved with the establishment of Routemaster Capital Inc. ("**Routemaster**"), as an investment issuer listed on the TSXV. As an investment company, Routemaster's primarily focuses on making investments in equity, debt or other securities of publicly traded or private companies or other entities, providing financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets. In addition, Mr. Leigh is also the founder and President of Siwash Holdings Ltd., a privately held company which, for over 23 years has invested in early stage opportunities in the resource sector. Siwash was an early investor in successful companies such as Wheaton River Minerals, Hathor Exploration, and Blue Pearl Mining.

While none of the other directors or officers of the Issuer have direct investment company experience, they do collectively have extensive experience in public companies both as directors and executive officers. In such roles, each of the directors and officers of Copper One have been involved in the evaluation of individual assets and companies with respect to the purchase and sales of assets, mergers and acquisitions and other corporate re-organizations, and financings in a wide variety of industry sectors. In particular, the chief executive officer of the Issuer has been involved with over 40 different public companies as either a director or an officer.

13.6 Disclose if a director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or promoter or a Shareholder holding a sufficient number of securities to affect materially the control of the Issuer is, or within ten years before the date of the Listing Statement, has been, a director, officer, Insider or promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No individual who is a director, officer or promoter of the Issuer, or a Shareholder holding a sufficient number of securities to affect materially control of the Issuer, has within the ten years before the date of this Listing Statement, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to securities legislation or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulating body, that would be likely to be considered important to a reasonable security holder.

Individual Bankruptcies

No individual who is a director, officer or promoter of the Issuer, or a Shareholder holding a sufficient number of securities to affect materially the control of the Issuer, is, or, within the ten years before the date of this Listing Statement, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

13.7 Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Not applicable.

13.8 Despite section 13.7, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.

Not applicable.

13.9 If a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.

Not applicable.

13.10 Disclose particulars of existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director or officer of the Issuer or a subsidiary of the Issuer.

Conflicts of interest may arise as a result of the directors, officers and promoters of the Issuer also holding positions as directors or officers of other companies. Some of the individuals who are directors and officers of the Issuer have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies provided under the CBCA. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

13.11 Management — In addition to the above provide the following information for each member of management:

(a) state the individual's name, age, position and responsibilities with the Issuer and relevant educational background;

(b) state whether the individual works full time for the Issuer or what proportion of the individual's time will be devoted to the Issuer;

(c) state whether the individual is an employee or independent contractor of the Issuer;

(d) state the individual's principal occupations or employment during the five years prior to the date of the Listing Statement, disclosing with respect to each organization as of the time such occupation or employment was carried on:

   (i) its name and principal business,

   (ii) if applicable, that the organization was an affiliate of the Issuer,

   (iii) positions held by the individual, and

   (iv) whether it is still carrying on business, if known to the individual;

(e) describe the individual's experience in the Issuer's industry; and

(f) state whether the individual has entered into a non-competition or non-disclosure agreement with the Issuer.

See sections 13.3 and 13.5 above.

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	**34,190,109**	**36,131,909**		
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	2,758,846	3,812,646	8.06%	10.55%
Total Public Float (A-B)	31,431,263	32,319,263	91.94%	89.45%
Freely-Tradeable Float				
Number of outstanding securities	2,758,846	2,758,846	8.06%	7.64%

subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)				
Total Tradeable Float (A-C)	31,431,263	33,373,063	91.94%	92.36%

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Common Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	1	600
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	3	6,650
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	2	31,424,013
	6	31,431,263

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Common Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	37	1,349
100 – 499 securities	56	11,523
500 – 999 securities	43	29,597
1,000 – 1,999 securities	56	64,805
2,000 – 2,999 securities	26	57,662
3,000 – 3,999 securities	19	62,595
4,000 – 4,999 securities	10	42,350
5,000 or more securities	223	30,660,440
Unable to confirm	N/A	500,942

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Common Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil

5,000 or more securities	3	2,758,846
	3	2,758,846

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Options to purchase Common Shares exercisable at $0.19 until October 11, 2021	1,698,800	1,698,800

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

Not applicable.

15. Executive Compensation

15.1 Attach a Statement of Executive Compensation from Form 51-102F6 or any successor instrument and describe any intention to make any material changes to that compensation.

Name and Principal position	Year	Salary ($)(1)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value	All other compensa-tion ($)	Total compensa-tion ($)
					Annual incentive plans	Long-term incentive plans			
Scott Moore, President and CEO(2)	2018	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
Deb Battiston, Chief Financial Officer	2018	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000

Notes:

(1) The salaries listed above are on a per annum basis.

(2) Scott Moore resigned as President and CEO on March 14, 2019.

Termination of Employment, Change of Control, and Employment Contracts

The following describes the respective consulting agreements entered into by the Issuer and certain officers and consultants.

Name	Monthly Fees	Severance on Termination	Severance on Change of Control

Forbes & Manhattan, Inc.[1]	$25,000	12 months' fees	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
Deb Battiston, CFO[2]	$5,000	12 months' fees	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
Scott Moore, Consultant	$12,500	12 months' fees	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.

Notes:

(1) The Issuer has entered into an agreement with Forbes & Manhattan, Inc. ("**Forbes**"), of which Stan Bharti is the Executive Chairman, pursuant to which Forbes agreed to provide consulting services to the Issuer through a number of individuals, including administrative, financial and information technology services. Forbes provides various administrative, strategic and technical services to the Issuer through its team of geologists, mining engineers and financial professionals. The nature of services provided includes assistance with strategic planning and development of business plans, development of capital markets strategy, assessment of strategic transactions, including business, technical and geological, and financial due diligence, fostering public and government relationships and fostering relationships with strategic investors and investment banks. The Issuer believes that these services contribute to the success of the Issuer and its ability to complete strategic acquisitions and financings, and the development of its business.

(2) Ms. Battiston provides such services through a management services company.

(3) Ms. Moore provides consulting services through a management services company.

For the purpose of the agreements set forth above, "Change in Control" is defined as the acquisition by any person or entity of:

(1) shares or rights or options to acquire shares of the Issuer or securities which are convertible into Common Shares or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the Issuer;

(2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Issuer or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or

(3) more than 50% of the material assets of the Issuer, including the acquisition of more than 50% of the material assets of any material subsidiary of the Issuer.

Executive Compensation Following the Completion of the Change of Business

The Issuer currently has no plans to change executive compensation following the completion of the Change of Business. However, it is anticipated that the Issuer will enter into a consulting or employment agreement with Aaron Atin, who will be Copper One's Corporate Secretary.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

No director, executive officer or senior officer of the Issuer or any associate of any of them, was indebted to the Issuer as at the financial year ended December 31, 2018 or is currently indebted to the Issuer as of the date of this Listing Statement.

16.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

No directors or executive officers, or any associates of such persons, or proposed nominees are indebted to the Issuer and no indebtedness of such persons is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Issuer.

17. Risk Factors

17.1 Disclose risk factors relating to the Issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the Issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be likely to influence an investor's decision to purchase securities of the Issuer.

The following are certain factors relating to the business of the Issuer assuming completion of the Change of Business, which factors investors should carefully consider when making an investment decision concerning the securities of the Issuer.

These risks and uncertainties are not the only ones facing the Issuer. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Issuer could be materially adversely affected and the ability of the Issuer to implement its plans could be adversely affected.

An investment in the Issuer is speculative and subject to certain material risks. Investors should not invest in securities of the Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Issuer.

Please see the discussion under section 4.1.3 (j) above for certain specific risks concerning mineral operations such as the Project and business operations in Spain in general.

<u>General Risks</u>

Key Personnel

The senior officers of the Issuer will be critical to its success. In the event of the departure of a senior officer, the Issuer believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Issuer grows is critical to its success. As the Issuer's business activity grows, it will require additional key financial, administrative and technical personnel as well as additional operations staff. If the Issuer is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Issuer.

Conflicts of Interest

Directors and officers of the Issuer are or may become directors or officers of other reporting companies or have significant shareholdings in other public companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the directors and officers of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Issuer and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board of Directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Issuer will establish a special committee of independent directors to review a

matter in which one or more directors, or officers, may have a conflict. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Issuer, the degree of risk to which the Issuer may be exposed and its financial position at that time. Other than as indicated, the Issuer has no other procedures or mechanisms to deal with conflicts of interest.

Additional Financing

The Issuer will require additional financing in order to make further investments or take advantage of future opportunities and to grow its business. The ability of the Issuer to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the Issuer. There can be no assurance that the Issuer will be successful in its efforts to arrange additional financing on terms satisfactory to the Issuer. If additional financing is raised by the issuance of Common Shares or other forms of convertible securities from treasury, control of the Issuer may change, and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Issuer may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the securities of the Issuer would be diminished.

Profitability

There is no assurance that the Issuer will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue the Issuer's business development and marketing activities. If the Issuer does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base, if any. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Issuance of Debt

From time to time, the Issuer may enter into transactions to acquire assets or the shares of other organizations or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase the Issuer's debt levels above industry standards for companies of similar size. Depending on future plans, the Issuer may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to the Issuer. The Issuer's constating documents do not limit the amount of indebtedness that may be incurred. As a result, the level of the Issuer's indebtedness from time to time could impair its ability to operate or otherwise take advantage of business opportunities that may arise.

Dilution

The Issuer may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Issuer which may be dilutive to the holdings of existing Shareholders.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted

market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. A public trading market in the Common Shares having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Common Shares at any given time, which, in turn is dependent on the individual decisions of investors over which the Issuer has no control. There can be no assurance that an active trading market in securities of the Issuer will be established and sustained. The market price for the Issuer's securities could be subject to wide fluctuations, which could have an adverse effect on the market price of the Issuer. The stock market has, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance, net asset values or prospects of particular companies. If an active public market for the Common Shares does not develop, the liquidity of a Shareholder's investment may be limited and the share price may decline.

Dividends

The Issuer has not paid any dividends on its outstanding shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Issuer to finance future growth, the financial condition of the Issuer and other factors which the Board of Directors may consider appropriate in the circumstance. It is unlikely that the Issuer will pay dividends in the immediate or foreseeable future.

Markets for Securities

There can be no assurance that an active trading market in the Common Shares will be established and sustained following the Change of Business. The market price for the Common Shares could be subject to wide fluctuations. Factors such as government regulation, future changes to laws and regulations, currency fluctuations, conflicts of interest, the dependence of key individuals, the involvement of some of the directors and officers of the Issuer in other companies, disruptions or changes in the credit or security markets, interest rates, share price movements of the Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Issuer's securities.

General Economic Conditions May Adversely Affect the Issuer's Growth

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy in general. Many industries continue to be negatively impacted by these market conditions. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Issuer's growth and profitability.

Change of Investment Policy

The Issuer may choose to change its Investment Policy sometime in the future in accordance with applicable corporate and securities laws or the policies of the CSE. In the event of such a change, Copper One may investment in different industries under other investment parameters, leading to exposure to additional investment risks other than those outlined in this Listing Statement.

Potential Change of Control and Termination Payments

In the event of a potential change of control of the Issuer or upon the termination of certain consulting agreements, Copper One may be liable to make change of control and termination payments. Depending on how much capital the Issuer has on hand at the time of making such payments, the ability to make further investments may be negatively impacted. For further information concerning the potential amounts and timing of such payments, please see above under the heading “Executive Compensation- Termination of Employment, Change of Control and Employment Contracts”.

Management and Administrative Expenses

Approximately 40% of the funds initially available to the Issuer are anticipated to be allocated to general and administrative expenses. A significant portion of these expenses are compensation to related parties of the Issuer, particularly management and consulting fees. Please see above under the heading “Executive Compensation” for further information concerning the amount of such payments and the table outlining the proposed use of funds under “Narrative Description of the Business” for additional information concerning the general and administrative expenses.

Risks Relating to Investments

Market Reaction to Investments

The market reaction to the Issuer’s investment decisions and the future trading prices of the Common Shares cannot be predicted. If any disclosed investments are not consummated, the market price of Common Shares may decline to the extent that the current market price of Common Shares reflects a market assumption that the investments will be completed.

Costs of the Investments

Certain costs related to investments, such as legal and accounting fees incurred by the Issuer, must be paid by the Issuer even if the investments are not completed.

Termination of Investments in Certain Circumstances

The Issuer may elect to withdraw any of its investments (where possible) for a number of reasons including, without limitation, changing market conditions, a recommendation from the Board of Directors or the availability of a more suitable investment opportunity. If for any reason an investment is delayed or not completed, the market price of Common Shares may be adversely affected (see “Risk Factors – Market Reaction to Investments” above).

Investment Company Status

As an investment company, essentially all of the Issuer’s operating assets are the capital stock of its investments. As a result, investors in the Issuer are subject to the risks attributable to its investments. As an investment company, the Issuer conducts substantially all of its business through its investments, which generate substantially all of its revenues. Consequently, the Issuer’s cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its investments and the distribution of those earnings to the Issuer. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Issuer’s investments, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those investments before any assets are made available for distribution to the Issuer.

Competition for and Scarcity of Investments

There is potential that the Issuer will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and technical, manufacturing and marketing experience than the Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the Issuer’s ability to acquire investments. To remain competitive, the Issuer will require a continued high level of investment in research, marketing and networking, and research and development, marketing, sales and client support for its investments. The Issuer may not have sufficient resources to maintain its operations on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Issuer. In addition, investment opportunities that fulfil the requirements of the Issuer's Investment Policy may be not be available or may not be available on terms sufficiently favourable to the Issuer.

Investments Located Outside North America

Investing in securities of foreign issuers or assets are subject to additional risks as the economic environment or the particular economic and political factors of the country or geographic region in which the foreign issuer operates, or the asset is located may impact the value of the Common Shares. Certain foreign countries may have different accounting, auditing and financial reporting standards for issuers of securities, making their securities more difficult to evaluate. In addition, there may be less information publicly available about a foreign entity or asset than about a Canadian or U.S. company, and the quality of the information may be less reliable. Finally, political, regulatory and social instability, restrictions on the movement of capital, differing legal systems and the threat of expropriation can affect the value of investments in foreign companies and assets, particularly in countries that are less developed.

Concentration of Investments

There are no restrictions on the proportion of the Issuer's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. Copper One may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment or sector. Completion of one or more investments may result in a highly concentrated investment by the Company in a particular company, business, industry or sector.

Tax Consequences

The investments described herein, including the acquisition, ownership and disposition of the Common Shares, may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and disclosure is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

17.2 If there is a risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.

Not applicable.

17.3 Describe any risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the securities being listed and that are not otherwise described under section 17.1 or 17.2.

Not applicable.

18. Promoters

18.1 For a person or company that is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the Issuer or of a subsidiary of the Issuer, state:

(a) the person or company's name;

(b) the number and percentage of each class of voting securities and equity securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised;

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Issuer or from a subsidiary of the Issuer, and the nature and amount of any assets, services or other consideration therefor received or to be received by the Issuer or a subsidiary of the Issuer in return; and

(d) for an asset acquired within the two years before the date of the Listing Statement or thereafter, or to be acquired, by the Issuer or by a subsidiary of the Issuer from a promoter:

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the Issuer, the promoter, or an associate or affiliate of the Issuer or of the promoter, and

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

There are no promoters, as defined under the policies of the Exchange, within the last two years immediately preceding this Listing Statement.

18.2 (1) If a promoter referred to in section 18.1 is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or company that:

a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or

b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer,

state the fact and describe the basis on which the order was made and whether the order is still in effect.

(2) For the purposes of section 18.2 (1), “order” means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

(3) If a promoter referred to in section 18.2 (1):

(a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

(4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in section 18.2(1) has been subject to:

(a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

(5) Despite section 18.2(4), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

Not applicable.

19. Legal Proceedings

19.1 Describe any legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter and any such proceedings known to the Issuer to be contemplated, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

There are no legal proceedings that are material to the Issuer to which it is a party, or of which any of its assets are subject, which are currently underway or known to the Issuer to be contemplated.

19.2 Regulatory actions - Describe any:

(a) penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof;

(b) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and

(c) settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

Not applicable.

20. Interest of Management and Others in Material Transactions

20.1 Describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer:

(a) any director or executive officer of the Issuer;

(b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of your outstanding voting securities; and

(c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

The Issuer has not acquired any assets or services within the 36 months prior to the date of this Listing Statement, nor proposes to acquire any assets or services from any director or officer of the Issuer, any principal securityholder of the Issuer, or any Affiliate or Associate of any such person, save and except for the services of its directors and named executive officers (and the compensation paid therefor) as described above.

21. Auditors, Transfer Agents and Registrars

21.1 State the name and address of the auditor of the Issuer.

The auditor of the Issuer is UHY McGovern Hurley, LLP, with its office located at 251 Consumers Road, Suite 800, Toronto, Ontario, M2J 1R3.

21.2 For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the Issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the Issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

The transfer agent and registrar for the Issuer is TSX Trust Company, with its Toronto office located at 301-100 Adelaide Street West, Toronto Ontario, M5H 4H1.

22. Material Contracts

22.1 Give particulars of every material contract, other than contracts entered into in the ordinary course of business that was entered into within the two years before the date of Listing Statement by the Issuer or a subsidiary of the Issuer.

The following are the material contracts entered into by the Issuer:

- the settlement agreement entered into by the Issuer and the Québec Government dated November 15, 2017, pursuant to which the Québec Government subsequently paid $8 million in cash to the Issuer in consideration for Copper One ending its participation in the Rivière Doré project;
- the binding letter agreement entered into by the Issuer and Emerita Resources Corp. dated November 10, 2017, pursuant to which the Issuer acquired the Option (as described above under "Narrative Description of the Business – General – Las Morras (Spain) Option");
- the consulting agreement with Forbes & Manhattan Inc. (as described above under section 15 – "Executive Compensation- Termination of Employment, Change of Control, and Employment Contracts".)

Copies of these agreements will be available for inspection at the offices of the Issuer located at 65 Queen Street West, Suite 805, Toronto, ON M5H 2M5, at any time during ordinary business hours until the completion of the Change of Business and for a period of 30 days thereafter.

22.2 If applicable, attach a copy of any co-tenancy, unitholders' or limited partnership agreement.

Not applicable.

23. Interest of Experts

23.1 Disclose all direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

23.2 Disclose the beneficial ownership, direct or indirect, by a person or company referred to in section 23.1 of any securities of the Issuer or any Related Person of the Issuer.

23.3 For the purpose of section 23.2, if the ownership is less than one per cent, a general statement to that effect shall be sufficient.

23.4 If a person, or a director, officer or employee of a person or company referred to in section 23.1 is or is expected to be elected, appointed or employed as a director, officer or employee of the Issuer or of any associate or affiliate of the Issuer, disclose the fact or expectation.

The following is a list of persons or companies whose profession or business gives authority to a statement made by such person or company named in this Listing Statement as having prepared or certified a part of that document or report described in the Listing Statement:

- UHY McGovern Hurley, LLP, auditor of the Issuer, which prepared the auditor’s report for the audited financial statements of the Issuer as at and for the fiscal period ended December 31, 2018. They are independent as determined by the Institute of Chartered Accountants of Ontario.

No expert has, and is not entitled to receive, any registered or beneficial interest, direct or indirect, in the property of the Issuer and is not expected to own any securities of the Issuer or any associate, affiliate or Related Person of the Issuer

24. Other Material Facts

24.1 Give particulars of any material facts about the Issuer and its securities that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

As of the date hereof, there are no other material facts about the Issuer or the Common Shares that are not disclosed under any item of the Listing Statement and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to Issuer or the Common Shares.

25. Financial Statements

25.1 Provide the following audited financial statement for the Issuer:

(a) copies of all financial statements including the auditor's reports required to be prepared and filed under applicable securities legislation for the preceding three years as if the Issuer were subject to such law; and

(b) a copy of financial statements for any completed interim period of the current fiscal year.

Please see Exhibit “A” to this Listing Statement.

25.2 For Issuers re-qualifying for listing following a fundamental change provide

(a) the information required in sections 5.1 to 5.3 for the target;

(b) financial statement for the target prepared in accordance with the requirements of National Instrument 41-101 *General Prospectus Requirements* as if the target were the Issuer;

(c) pro-forma consolidated financial statements for the New Issuer giving effect to the transaction for:

(i) the last full fiscal year of the Issuer, and

(ii) any completed interim period of the current fiscal year.

Not applicable.

EXHIBIT “A”

FINANCIAL STATEMENTS AND
MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended
March 31, 2019 and 2018

(in Canadian dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Copper One Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at

	Note	March 31, 2019	December 31, 2018
		(unaudited)	
ASSETS			
Current assets			
Cash and cash equivalents		$ 3,147,628	$ 4,379,739
Receivables	3	206,919	38,374
Prepaid expenses	4	687,782	62,913
Total current assets		$ 4,042,329	4,481,026
Non-current assets			
Exploration and evaluation assets	5	100,000	100,000
TOTAL ASSETS		$ 4,142,329	$ 4,581,026
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 46,108	$ 35,203
Total liabilities		$ 46,108	35,203
Shareholders' Equity			
Share capital		18,922,990	18,922,990
Share-based payments reserves		520,999	520,999
Deficit		(15,347,768)	(14,898,166)
Total shareholders' equity		$ 4,096,221	4,545,823
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 4,142,329	$ 4,581,026
Nature of operations and going concern	1		
Commitments and contingencies	7		
Subsequent events	8		

Approved on behalf of the Directors:

"Scott Moore"
Director

"Fred Leigh"
Director

(The accompanying notes are an integral part of these condensed interim consolidated financial statements.)

Copper One Inc.

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)

Unaudited

(Expressed in Canadian dollars)

	Note	For the three months ended March 31, 2019	2018
Operating expenses			
Management and consulting fees	6	$ 128,752	$ 118,759
General office and administration expenses		22,250	20,800
Shareholder communications and filing fees		21,647	32,053
Travel and promotion		162,131	32,260
Accounting and legal		21,860	4,740
Exploration and evaluation expenses	5	-	34,201
Foreign exchange loss/(gain)		95,911	(90,743)
Total operating expenses		$ 452,551	$ 152,070
(Loss) before other income (expenses)		(452,551)	(152,070)
Other income (expenses)			
Loss on dispositon of property and equipment		-	(6,333)
Interest income		2,949	3,394
Net loss for the period		$ (449,602)	$ (155,009)
(Loss) per share			
Basic and diluted		$ (0.01)	$ (0.00)
Weighted average number of shares outstanding:			
Basic and diluted		34,190,109	34,190,109

(The accompanying notes are an integral part of these condensed interim consolidated financial statements.)

Copper One Inc.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited

(Expressed in Canadian dollars)

	Note	Three months ended March 31, 2019		Three months ended March 31, 2018	
Cash (used in) provided by operations:					
Loss for the period		$	(449,602)	$	(155,009)
Items not involving cash:					
Loss on disposition of property and equipment			-		6,333
Change in working capital items:					
Receivables			(168,545)		(9,942)
Prepaid expenses and deposits			(624,869)		7,091
Accounts payable and accrued liabilities			10,905		48,048
Net cash (used in) operating activities			(1,232,111)		(103,479)
Investing activities					
Exploration and evaluation assets	5		-		(75,000)
Net cash (used in) investing activities			-		(75,000)
Change in cash and cash equivalents			(1,232,111)		(178,479)
Cash and cash equivalents, beginning of period			4,379,739		4,838,783
Cash and cash equivalents, end of period		$	3,147,628	$	4,660,304

(The accompanying notes are an integral part of these condensed interim consolidated financial statements.)

Copper One Inc.

Condensed Interim Consolidated Statements of Changes in Equity

Unaudited

(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital	Share-based payments: Options	Share-based payments: Warrants	Share-based payments reserve	Deficit	Total
Balance, December 31, 2017		34,190,109	$18,922,990	$ 536,888	$ 1,087,494	$ 1,624,382	$(15,289,987)	$ 5,257,385
Expiry of options	8	-	-	(15,889)	-	(15,889)	15,889	-
Net loss for the period		-	-	-	-	-	(155,009)	(155,009)
Balance, March 31, 2018		**34,190,109**	**$18,922,990**	**$ 520,999**	**$ 1,087,494**	**$ 1,608,493**	**$(15,429,107)**	**$ 5,102,376**
Balance, December 31, 2018		34,190,109	$18,922,990	$ 520,999	$ -	$ 520,999	$(14,898,166)	$ 4,545,823
Net loss for the period		-	-	-	-	-	(449,602)	(449,602)
Balance, March 31, 2019		**34,190,109**	**$18,922,990**	**$ 520,999**	**$ -**	**$ 520,999**	**$(15,347,768)**	**$ 4,096,221**

(The accompanying notes are an integral part of these condensed interim consolidated financial statements.)

1. Nature of operations and going concern

Copper One Inc. (the "Company") operates under the *Canada Business Corporations Act*. The Company's wholly owned subsidiary 7231300 Canada Ltd. was incorporated on August 26, 2009. The Company's common shares trade on the TSX Venture Exchange under the symbol "CUO".

The Company is in the process of exploring and evaluating mineral property interests. The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The Company's continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company currently holds an option to purchase a 100% interest in the Las Morras gold project (see Note 5(b)).

The condensed interim consolidated financial statements of the Company for the three months ended March 31, 2019 were reviewed, approved and authorized for issue by the Board of Directors on May 17, 2019.

The Company has an accumulated deficit of $15,347,768, working capital of $3,996,221 as at March 31, 2019 and has a net loss totaling $449,602 during the three months ended March 31, 2019. The Company has a need for equity capital and financing for exploration and development of its property. The Company has no revenues and its continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required.

The head office and principal address of the Company is at Suite 805, 65 Queen Street West, Toronto, Ontario M5H 2M5.

2. Significant accounting policies

Basis of preparation

These condensed interim consolidated financial statements of the Company and its subsidiary were prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out in the Company's annual consolidated financial statements for the year ended December 31, 2018 were consistently applied to all the periods presented unless otherwise noted below.

2. Significant accounting policies (continued)

Basis of preparation (continued)

The preparation of condensed interim financial statements in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. Certain disclosures included in annual financial statements have been condensed or omitted.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for available-for-sale investments which are reflected at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 7231300 Canada Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation.

<u>Subsidiaries</u>
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

New and future accounting pronouncements

The unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2018, except for the adoption of the following new standards and interpretations issued by the IASB that were effective as of January 1, 2019.

IFRS 16 - Leases ('IFRS 16") replaces IAS 17 - Leases. The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. There was no impact on the Company's interim financial statements upon adoption of IFRS 16 on January 1, 2019.

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment or group of tax treatments that it used or plans to use in its income tax filings. There was no impact on the Company's interim financial statements upon adoption of IFRIC 23 on January 1, 2019.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

New and future accounting pronouncements (continued)

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2020 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

3. Receivables

	March 31, 2019	December 31, 2018
Sales taxes recoverable	$ 66,607	$ 38,374
Other	140,312	-
	$ 206,919	$ 38,374

4. Prepaid expenses

	March 31, 2019	December 31, 2018
Prepaid insurance	$ 6,615	$ 9,450
Prepaid expenses	531,167	53,463
Prepaid exploration	150,000	-
	$ 687,782	$ 62,913

(Expressed in Canadian dollars)

5. Exploration and evaluation assets and expenditures

The exploration and evaluation assets of the Company are comprised as follows:

	Las Morras Option $
Balance, December 31, 2017	25,000
Acquisition (b)	75,000
Balance, March 31, 2019 and December 31, 2018	100,000

(a) Rivière Doré

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to the Company's participation in the Rivière Doré project. Pursuant to the settlement agreement, the Company agreed to the assignment of all the mining claims comprising the Rivière Doré project to SOQUEM. The transaction closed on December 21, 2017.

The exploration and evaluation expenses related to Rivière Doré for the three months ended March 31, 2019 and 2018 were as follows:

	Three months ended March 31, 2019	2018
Legal	$ -	$ 34,201
Total	$ -	$ 34,201

(b) Las Morras option

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project (the "Project"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("Emerita") pursuant to a binding letter agreement dated November 10, 2017 (the "Agreement").

Pursuant to the Agreement, Emerita has granted the Company an option (the "Option") to acquire a 100% interest in the Project. During the year ended December 31, 2017, as consideration for the Option, the Company paid $25,000 in cash, and paid an additional $75,000 in cash on January 10, 2018. In order to exercise the Option and acquire a 100% interest in the Project, the Company is required to:

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and
- grant to Emerita a 2% net smelter returns royalty on the Project.

(Expressed in Canadian dollars)

5. Exploration and evaluation assets and expenditures (continued)

(b) Las Morras option (continued)

Emerita will hold the Project in trust for the Company until the Option is exercised and the Project is assigned and transferred to the Company. If the Option is not exercised, Emerita will retain the Project. During the option period, the Company will be the operator of the Project. The original exploration permit for Las Morras was granted in 2012 and has been extended through subsequent renewals. The most recent renewal was valid until February 19, 2019. Emerita has filed a request with government authorities for an additional extension of the underlying permit and expects that approval is imminent.

This transaction was at arm's length and the Company did not pay any finder's fees in connection with this transaction.

The exploration and evaluation expenses related to Las Morras for the three months ended March 31, 2019 and 2018 were $nil. As at March 31, 2019, the Company had advanced $150,000 to Emerita for exploration expenditures included in prepaid expenses in the statement of financial position.

6. Related party transactions and balances

During the three months ended March 31, 2019 and 2018, the Company entered into the following transactions in the ordinary course of business with related parties from an accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services	
	Three months ended March 31,	
	2019	2018
Forbes & Manhattan, Inc.	$ 30,000	$ 30,000

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month was charged by Forbes pursuant to a consulting agreement. On March 14, 2019, Mr. Bharti was appointed President and CEO and director of the Company. As at March 31, 2019, prepaid expenses included $59,500 advanced to Forbes.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2019 and 2018 were as follows:

	Three months ended March 31,	
	2019	2018
Short-term benefits	$ 60,000	$ 54,750

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

See Note 7.

6. Related party transactions and balances (continued)

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

7. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $3,820,000 to be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $553,000 due within one year.

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. (See note 5)

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

8. Subsequent events

On March 19, 2019, the Company announced that it would be pursuing a change of business to an investment company (the “Proposed COB”) under the rules of the Canadian Securities Exchange (the “CSE”). In connection with the Proposed COB, the Company intends to adopt an investment policy to govern its investment activities and investment strategy. Completion of the COB is subject to the receipt of all necessary approvals, which include shareholder approval, regulatory approval for the listing of the Company's common shares on the CSE and the concurrent delisting of common shares of the Company on the TSXV.

On May 14, 2019, 233,000 options with exercise prices of $0.70 expired, unexercised.

Management's Discussion and Analysis

For the three months ended March 31, 2019

Introduction

The following Management's Discussion and Analysis ("MD&A") of financial results and related data of Copper One Inc. ("Copper One" or the "Company") is intended to complement and supplement the condensed interim consolidated financial statements for the three months ended March 31, 2019 and 2018 (the "Financial Statements") and should be read in conjunction with the Financial Statements as well as the audited annual consolidated financial statements of the Company for the year ended December 31, 2018. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

The commentary is current to May 17, 2019 unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. The Company is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario. The Company's common shares commenced trading on the TSX Venture Exchange ("TSXV") on November 16, 2009 under the symbol "CUO.V" and prior to that, traded on the Canadian National Stock Exchange. On March 19, 2019, the common shares of the Company were halted from trading on the TSXV as a result of the announcement of the Proposed COB (defined below under Company Outlook and Recent Developments).

Cautionary Note Regarding Forward-Looking Statements

Except for statements of historical fact relating to Copper One, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; First Nations risks; litigation risks; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Description of Business

Copper One is a Canadian company listed on the TSXV and is currently evaluating potential opportunities. The Company owns an option to purchase a 100% interest in the Las Morras gold project in the Extremadura region of Spain.

Company Outlook and Recent Developments

The Company has been focusing its efforts on evaluating potential opportunities and the evaluation of its option to purchase a 100% interest in the Las Morras gold project (see Exploration and Evaluation section below for details).

On March 19, 2019, the Company announced that it would be pursuing a change of business to an investment company (the “Proposed COB”) under the rules of the Canadian Securities Exchange (the “CSE”). On the same date, the common shares of the Company were halted from trading on the TSXV as a result of the announcement of the Proposed COB. In connection with the Proposed COB, the Company intends to adopt an investment policy to govern its investment activities and investment strategy. Completion of the Proposed COB is subject to the receipt of all necessary approvals, including shareholder approval and regulatory approval for the listing of the Company’s common shares on the CSE and the concurrent delisting of common shares of the Company on the TSXV.

On March 19, 2019, the Company also announced the appointment of Fred Leigh to its board of directors. Mr. Leigh has been involved in the investment industry for more than 35 years and has had a significant role as founder, director and/or investor in many public companies. Mr. Leigh is also the founder and President of Siwash Holdings Ltd., a privately held company which, for over 18 years, has invested in early stage opportunities in the resource sector.

Selected Quarterly Financial Information

For the three months ended	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
(Expressed in Canadian dollars$)				
Net (loss)	$ (449,602)	$ (152,441)	$ (295,338)	$ (108,774)
(Loss) per share				
- basic and diluted	(0.01)	(0.00)	(0.01)	(0.00)
Total assets	4,142,329	4,581,026	4,805,909	5,013,929

For the three months ended	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
(Expressed in Canadian dollars$)				
Net (loss) income	$ (155,009)	$ 4,069,140	$ (261,824)	$ (309,678)
(Loss) income per share				
- basic and diluted	(0.00)	0.12	(0.01)	(0.01)
Total assets	5,190,944	5,297,905	1,391,274	1,564,828

Liquidity and Capital Resources

The Company does not have any operating assets that generate revenues. The Company recorded a net loss of $449,602 for the three months ended March 31, 2019 (March 31, 2018 – $155,009). Operating activities used net cash of $1,232,111 (March 31, 2018 –$103,479).

The Company has a need for financing for evaluating potential opportunities and for exploration and development. The Company has no revenues and its continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation.

Working Capital

As at March 31, 2019, the Company had a working capital (see Non-GAAP measures) of $3,996,221 (December 31, 2018 – $4,445,823).

Cash Flows

Cash Flows for the three months ended March 31, 2019 and 2018

(Expressed in Canadian dollar $)	For the three months ended March 31,	
	2019	2018
Cash (used in) operating activities	$ (1,232,111)	$ (103,479)
Cash (used in) investing activities	-	(75,000)
Change in cash and cash equivalents	$ (1,232,111)	$ (178,479)

Cash of $1,232,111 was used by operating activities during the three months ended March 31, 2019 compared to $103,479 used in operating activities during the three months ended March 31, 2018. Cash used in the three months ended March 31, 2019 was higher as a result of prepayment of expenses and advances, including prepayment of $150,000 in exploration expenditures on the Las Morras project. Cash used by investing activities of $75,000 in the three months ended March 31, 2018 was for an option payment on the Las Morras project.

Results of Operations

For the three months ended March 31, 2019 and 2018

	For the three months ended March 31,	
Operating expenses	2019	2018
Management and consulting fees	$ 128,752	$ 118,759
General office and administration expenses	22,250	20,800
Shareholder communications and filing fees	21,647	32,053
Travel and promotion	162,131	32,260
Accounting and legal	21,860	4,740
Exploration and evaluation expenses	-	34,201
Foreign exchange loss (gain)	95,911	(90,743)
Total operating expenses	452,551	152,070
Loss before other income (expenses)	(452,551)	(152,070)
Other income (expenses)		
Loss on disposition of property and equipment	-	(6,333)
Interest income	2,949	3,394
Net (loss) and comprehensive (loss) for the period	$ (449,602)	$ (155,009)

The Company recorded a net loss and comprehensive loss of $449,602 during the three months ended March 31, 2019 compared to net loss of $155,009 during the same period in the prior year. The Company incurred additional travel and promotion and management and consulting fees in connection with evaluating potential opportunities in the current period. In addition, the Company incurred a foreign exchange loss of $95,911 as a result of the revaluation of working capital items held in US dollars compared to a gain of $90,743 in the prior period.

Exploration and evaluation expenses:

	Three months ended March 31, 2019	2018
Legal	$ -	$ 34,201
Total Riviere Dore	$ -	$ 34,201

Exploration and Evaluation

Las Morras

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project (the "Project"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("Emerita") pursuant to a binding letter agreement dated November 10, 2017 (the "Agreement") between Copper One and Emerita.

Pursuant to the Agreement, Emerita has granted the Company an option (the "Option") to acquire a 100% interest in the Project. As consideration for the Option, the Company paid $25,000 in cash on November 17, 2017 and paid an additional $75,000 in cash on January 10, 2018. In order to exercise the Option and acquire a 100% interest in the Project, the Company is required to:

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and
- grant to Emerita a 2% net smelter returns royalty on the Project.

Emerita will hold the Project in trust for the Company until the Option is exercised and the Project is assigned and transferred to the Company. If the Option is not exercised, Emerita will retain the Project. During the option period, the Company will be the operator of the Project. The original exploration permit for Las Morras was granted in 2012 and has been extended through subsequent renewals. The most recent renewal was valid until February 19, 2019. Emerita has filed a request with government authorities for an additional extension of the underlying permit and expects that approval is imminent.

This transaction was at arm's length and the Company has not paid any finder's fees in connection with this transaction.

Rivière Doré

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to Copper One's participation in the Rivière Doré project.

On December 21, 2017, the Company completed the assignment of all of the mining claims comprising the Rivière Doré project to SOQUEM and as consideration the Québec Government paid $8 million in cash to the Company.

Financial Commitments and Contractual Obligations

Management commitments

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $3,820,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $553,000 due within one year.

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

Transactions with Related Parties

During the three months ended March 31, 2019 and 2018, the Company entered into the following transactions in the ordinary course of business with related parties from an accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services	
	Three months ended March 31,	
	2019	2018
Forbes & Manhattan, Inc.	$ 30,000	$ 30,000

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month was charged by Forbes pursuant to a consulting agreement. On March 14, 2019, Mr. Bharti was appointed President and CEO and director of the Company. As at March 31, 2019, prepaid expenses included $59,500 advanced to Forbes.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2019 and 2018 were as follows:

	Three months ended March 31,	
	2019	2018
Short-term benefits	$ 60,000	$ 54,750

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying values of these financial instruments approximate their fair values due to the short maturity of those instruments.

Outstanding Share Data

As at the date hereof, there were 34,190,109 common shares of the Company outstanding and 1,708,800 stock options outstanding with a weighted average exercise price of $0.19 per option.

Non-GAAP Measures

The MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These non-GAAP measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

Working Capital

Current assets		March 31, 2019		December 31, 2018
Cash and cash equivalents	$	3,147,628	$	4,379,739
Receivables		206,919		38,374
Prepaid expenses and deposits		687,782		62,913
Total current assets		4,042,329		4,481,026
Current liabilities				
Accounts payable and accrued liabilities	$	46,108	$	35,203
Total liabilities		46,108		35,203
Working capital (current assets less current liabilities)	$	3,996,221	$	4,445,823

Net cash (used in) provided by operating activities

(Expressed in Canadian dollars $)	Three months ended March 31, 2019	2018
Cash (used in) operating activities before change in working capital items	$ (449,602)	$ (148,676)
Cash (used in) change in working capital items	(782,509)	45,197
Net cash (used in) provided by operating activities	$ (1,232,111)	$ (103,479)

New and future accounting pronouncements

On January 1, 2019, the Company adopted IFRS 16 and IFRIC 23. These new standards and changes did not have any material impact on the Company's condensed interim consolidated financial statements.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2020 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

Critical Judgments and Estimation Uncertainties

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed and affect estimates for provisions for reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material. See Note 2 of the Company’s Consolidated Financial Statements for years ended December 31, 2018 and 2017 for details.

Risks and Uncertainties

The Company is currently evaluating potential opportunities, which may include the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties, if any. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties, if any, or reduce or terminate some or all of its activities.

While the Company’s financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company’s mining and project development operations, if any.

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of the MERN to suspend all of the Company’s mining claims related to its Rivière Doré project. The Company strongly disagreed with MERN’s decision to suspend its claims.

On February 6, 2017, the Company commenced mandamus proceedings in the Superior Court of Québec to force the issuance by the Ministry of Forests, Wildlife and Parks (the “MFFP”) of a forest management permit to allow for drilling on 11 locations on the Rivière Doré project. Copper One sought to compel the MFFP to issue the forest management permit because it believed that MERN influenced the MFFP in order to delay or prevent the issuance of such permit.

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to the Company's participation in the Rivière Doré project. The transaction closed on December 15, 2017. The Algonquins of Barrière Lake have denounced the *Mining Act* (Quebec) as illegal and unconstitutional and the Company understands that the Algonquins of Barrière Lake may continue to challenge any activity and transactions related to the Rivière Doré project.

First Nations

First Nations in the Province of Québec are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands. In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining opportunities and could result in costs and delays or materially restrict the Company's activities. Mining licenses and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations may be subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's property interests, if any, may be located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date, the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties, if any, will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, if any, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, if any, commence construction or operate mining facilities.

Mineral Commodity Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Company's properties, if any.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development and mining of the Company's properties, if any, could be subject to resistance from local residents that could either prevent or delay exploration and development of such properties.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase projected costs.

Foreign Operations

The Company has an option to purchase the Las Morras project located in Spain. As such, the Company's proposed activities with respect to this Project will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Spain. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties, if any. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. Even if the Company's exploration program on its properties, if any, is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Current Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Subsequent events

On March 19, 2019, the Company announced a Proposed COB under the rules of the CSE and the appointment of Fred Leigh to its board of directors. See Company Outlook and Recent Developments section for details.

On May 14, 2019, 233,000 options with exercise prices of $0.70 expired, unexercised.

Additional Information

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
December 31, 2018 and 2017

(in Canadian dollars)

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Independent Auditor's Report

To the Shareholders of Copper One Inc.

Opinion

We have audited the consolidated financial statements of Copper One Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of operations and comprehensive loss (income), consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit 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. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises 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 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 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 judgement 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 risks 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.

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 of the audit resulting in this independent auditor's report is Glen McFarland.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 8, 2019

Copper One Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at

	Note	December 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		$ 4,379,739	$ 4,838,783
Receivables	3	38,374	403,050
Prepaid expenses	4	62,913	24,739
Total current assets		$ 4,481,026	5,266,572
Non-current assets			
Property and equipment	5	-	6,333
Exploration and evaluation assets	6	100,000	25,000
TOTAL ASSETS		$ 4,581,026	$ 5,297,905
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 35,203	$ 40,520
Total liabilities		$ 35,203	40,520
Shareholders' Equity			
Share capital	7	18,922,990	18,922,990
Share-based payments reserves	8	520,999	1,624,382
Deficit		(14,898,166)	(15,289,987)
Total shareholders' equity		$ 4,545,823	5,257,385
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 4,581,026	$ 5,297,905

Nature of operations and going concern	1
Commitments and contingencies	10
Subsequent events	14

Approved on behalf of the Directors:

"Scott Moore"
Director

"Fred Leigh"
Director

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

Copper One Inc.

Consolidated Statements of Operations and Comprehensive Loss (Income)

(Expressed in Canadian dollars)

	Note	For the years ended December 31, 2018	2017
Operating expenses			
Management and consulting fees	9	$ 474,635	$ 3,058,123
General office and administration expenses		86,818	82,870
Shareholder communications and filing fees		67,984	65,386
Travel and promotion		218,373	39,959
Accounting and legal		30,498	28,720
Exploration and evaluation expenses	6	129,785	718,351
Amortization	5	-	2,242
Foreign exchange (gain)/loss		(285,221)	64,482
Total operating expenses		$ 722,872	$ 4,060,133
(Loss) before other income (expenses)		(722,872)	(4,060,133)
Other income (expenses)			
Litigation settlement	6(a)	-	8,000,000
Disposition of exploration and evaluation properties	6(a)	-	(854,996)
Loss on dispositon of property and equipment	5	(6,333)	(1,806)
Realized (loss) on held for trading marketable securities		-	(43,170)
Change in unrealized gain on held for trading marketable securities		-	123,750
Interest income		17,643	4,263
Net (loss) income and comprehensive (loss) income for the year		$ (711,562)	$ 3,167,908
(Loss) income per share			
Basic and diluted		$ (0.02)	$ 0.09
Weighted average number of shares outstanding:			
Basic and diluted		34,190,109	34,190,109

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

Copper One Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	Years ended December 31, 2018	2017
Cash provided by (used in) operations:			
(Loss) income for the year		$ (711,562)	$ 3,167,908
Items not involving cash:			
Amortization	5	-	2,242
Loss on disposition of property and equipment	5	6,333	1,806
Disposition of exploration and evaluation assets	6	-	854,996
Realized loss on held for trading marketable securities		-	43,170
Unrealized (gain) on held for trading marketable securities		-	(123,750)
Change in working capital items:			
Receivables		364,676	(359,429)
Prepaid expenses and deposits		(38,174)	3,226
Accounts payable and accrued liabilities		(5,317)	(91,235)
Net cash (used in) provided by operating activities		(384,044)	3,498,934
Investing activities			
Exploration and evaluation assets	6	(75,000)	(25,000)
Proceeds from sale of marketable securities, net of commissions		-	159,330
Net cash (used in) provided by investing activities		(75,000)	134,330
Change in cash and cash equivalents		(459,044)	3,633,264
Cash and cash equivalents, beginning of year		4,838,783	1,205,519
Cash and cash equivalents, end of year		$ 4,379,739	$ 4,838,783

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

Copper One Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital	Share-based payments Options	Share-based payments Warrants	Share-based payments reserve	Deficit	Total
Balance, December 31, 2016		34,190,109	$18,922,990	$ 683,990	$ 1,087,494	$ 1,771,484	$(18,604,997)	$ 2,089,477
Expiry of options	8	-	-	(147,102)	-	(147,102)	147,102	-
Net loss for the year		-	-	-	-	-	3,167,908	3,167,908
Balance, December 31, 2017		**34,190,109**	**$18,922,990**	**$ 536,888**	**$ 1,087,494**	**$ 1,624,382**	**$(15,289,987)**	**$ 5,257,385**
Expiry of options	8	-	-	(15,889)	-	(15,889)	15,889	-
Expiry of warrants	8	-	-	-	(1,087,494)	(1,087,494)	1,087,494	-
Net loss for the year		-	-	-	-	-	(711,562)	(711,562)
Balance, December 31, 2018		**34,190,109**	**$18,922,990**	**$ 520,999**	**$ -**	**$ 520,999**	**$(14,898,166)**	**$ 4,545,823**

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

1. Nature of operations and going concern

Copper One Inc. (the "Company") operates under the *Canada Business Corporations Act*. The Company's wholly owned subsidiary 7231300 Canada Ltd. was incorporated on August 26, 2009. The Company's common shares trade on the TSX Venture Exchange under the symbol "CUO".

The Company is in the process of exploring and evaluating mineral property interests. The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The Company's continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's Rivière Doré Copper Nickel property ("Rivière Doré") exploration and evaluation assets were suspended. The Company appealed the suspension and, during the year ended December 31, 2017, entered into a settlement agreement with the Quebec Government (see Note 6(a)) and as a result, no longer holds and interest in the Rivière Doré property. The Company currently holds an option to purchase a 100% interest in the Las Morras gold project (see Note 6(b)).

The consolidated financial statements of the Company for the year ended December 31, 2018 were reviewed, approved and authorized for issue by the Board of Directors on April 8, 2019.

The Company has an accumulated deficit of $14,898,166, working capital of $4,445,823 as at December 31, 2018 and has a net loss totaling $711,562 during the year ended December 31, 2018. The Company has a need for equity capital and financing for exploration and development of its property. The Company has no revenues and its continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required.

The head office and principal address of the Company is at Suite 805, 65 Queen Street West, Toronto, Ontario M5H 2M5.

2. Significant accounting policies

Statement of compliance

These consolidated financial statements of the Company and its subsidiary have been prepared in accordance International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 7231300 Canada Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation.

Subsidiaries
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Critical accounting judgments and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

2. Significant accounting policies (continued)

Critical accounting judgments and estimation uncertainties (continued)

Impairment of exploration and evaluation assets
While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Estimation of decommissioning and restoration costs and the timing of expenditure
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
See Note 10.

2. Significant accounting policies (continued)

Functional currency

The Company's functional and presentation currency is the Canadian dollar ("$"). Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Foreign exchange gains and losses are presented in the consolidated statement of operations.

Share-based payments and warrants

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

On exercise, the value originally recorded in reserves is recorded to share capital with proceeds received. For those options and warrants that expire after vesting, the recorded value is transferred from reserves to deficit.

Property and equipment

Property and equipment is comprised of mining equipment and computer software, which are recorded at cost less accumulated depreciation. The cost of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location, and condition necessary for its intended use. At each reporting period, the Company evaluates the estimated useful life of its property and equipment and changes in circumstances indicating that the carrying value may not be recoverable.

2. Significant accounting policies (continued)

Property and equipment (continued)

Computer software is depreciated on a straight-line basis over its estimated useful life of 3 years.

Mining equipment is depreciated on a straight-line basis over its estimated useful life of 5 years.

Property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Exploration and evaluation assets

Exploration expenditure relates to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

The cost of exploration properties, which include the cost of acquiring prospective properties and exploration rights are capitalized to exploration and evaluation assets. Exploration costs incurred, subsequent to acquisition, in exploration and evaluation activities, are expensed as incurred and included in the consolidated statement of operations until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mineral properties.

Prior to capitalization to mineral properties, exploration and evaluation assets acquisition costs are first tested for impairment and any impairment loss recognized immediately in the consolidated statements of loss.

Mining tax credits

Mining tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with all conditions related to obtain the credits. These refundable mining tax credits are earned in respect to exploration costs incurred and are recorded as a reduction to exploration and evaluation expenses.

Provisions

I. General

Provisions are recognised when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2. Significant accounting policies (continued)

Provisions (continued)

II. Decommissioning and restoration provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred.

The obligation generally arises when an asset is installed, or the ground / environment is disturbed at the property location. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. As at December 31, 2018 and 2017, the Company had no material decommissioning and restoration provisions.

Income (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

Taxation

I. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

II. Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Significant accounting policies (continued)

II. Deferred income tax

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Financial assets and liabilities

Accounting policy under IFRS 9 applicable from January 1, 2018

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

2. Significant accounting policies (continued)

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has classified accounts receivable on provisionally priced sales as financial assets measured at FVPL. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – Financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company's marketable securities are classified as financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of operations and comprehensive (loss) income. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

2. Significant accounting policies (continued)

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Accounting policy under IAS 39 applicable prior to January 1, 2018

The accounting policy under IAS 39 for the comparative information presented in respect of financial assets and liabilities, excluding derivative instruments related to hedging activities, was similar to the accounting policy adopted in 2018, with the following exceptions:

Financial instruments – recognition and measurement

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables, at fair value through profit or loss ("FVTPL"), or as other financial liabilities not at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value but through profit or loss are measured at amortized cost using the effective interest rate method.

The Company had implemented the following classifications for its financial instruments:

a) Cash and cash equivalents, and receivables have been classified as loans and receivables.

b) Marketable securities are classified at FVTPL.

c) Accounts payables and accrued liabilities have been classified as financial liabilities not at fair value through profit or loss.

Impairment of financial assets

The Company makes an assessment at the end of each reporting period whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

2. Significant accounting policies (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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, however the increased carrying amount cannot 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.

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand.

New and future accounting pronouncements

Changes in accounting policies

During the year ended December 31, 2018, the Company adopted the following new standards and interpretations issued by the IASB that were effective as of January 1, 2018.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. There was no impact on the Company's financial statements upon adoption of the amendment to IFRS 2 on January 1, 2018.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. There was no impact on the Company's financial statements upon adoption of the amendment to IFRIC 22 on January 1, 2018.

Effective January 1, 2018, the Company adopted IFRS 9, *Financial Instruments,* which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in both standards, the Company adopted these standards retrospectively without restating comparatives, with the cumulative impact adjusted in the opening balances as at January 1, 2018. There were no effects on opening balances at January 1, 2018 with respect to the adoption of these policies.

IFRS 9, *Financial Instruments*
IFRS 9 replaces International Accounting Standard ("IAS") 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets and requires that there be a demonstrated economic relationship between the hedged item and hedging instrument.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

Changes in accounting policies (continued)

Upon adoption of IFRS 9, the two main changes in the Company's accounting policy on financial instruments are: i) equity investments previously classified as available-for-sale are now classified as financial assets measured at FVOCI and ii) derivative instruments previously held for trading now qualify for hedge accounting, including the Company's commodity swap and option contracts, to the extent they comply with the IFRS 9 criteria for hedge accounting.

The following table shows the previous classification under IAS 39 and the new classification under IFRS9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	**Under IFRS 9**
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Receivables	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The Company adopted IFRS 9 retrospectively without restating comparatives and therefore the comparative information in respect of financial instruments for the year ended December 31, 2017 was accounted for in accordance with the Company's previous accounting policy under IAS 39. Significant accounting policies which outline the current and previous accounting policies pertaining to financial instruments.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2019 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IFRS 16 - Leases ('IFRS 16") replaces IAS 17 - Leases. The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment or group of tax treatments that it used or plans to use in its income tax filings. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

New and future accounting pronouncements (continued)

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

3. Receivables

	December 31, 2018	December 31, 2017
Sales taxes recoverable	$ 38,374	$ 403,050
	$ 38,374	$ 403,050

4. Prepaid expenses

	December 31, 2018	December 31, 2017
Prepaid insurance	$ 9,450	$ 22,939
Prepaid expenses	53,463	1,800
	$ 62,913	$ 24,739

5. Property and equipment

	Mining Equipment	Computer Software	Total
Net book value - December 31, 2016	$ 7,950	$ 2,431	$ 10,381
Disposal	-	(1,806)	(1,806)
Accumulated amortization	(1,617)	(625)	(2,242)
Net book value - December 31, 2017	$ 6,333	$ -	$ 6,333
Disposal	(6,333)	-	(6,333)
Net book value - December 31, 2018	$ -	$ -	$ -

(Expressed in Canadian dollars)

6. Exploration and evaluation assets and expenditures

The exploration and evaluation assets of the Company are comprised as follows:

	Rivière Doré	Las Morras Option	Total
	$	$	$
Balance, December 31, 2016	854,996	-	854,996
Disposition (a)	(854,996)	-	(854,996)
Acquisition (b)	-	25,000	25,000
Balance, December 31, 2017	-	25,000	25,000
Acquisition (b)	-	75,000	75,000
Balance, December 31, 2018	-	100,000	100,000

(a) Rivière Doré

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. (“Cartier”) to acquire 100% of the Rivière Doré property located southeast of the town Val D’Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company with an estimated fair value of $550,000 and granted a royalty of 1% of the net smelter return in connection with ore extracted from the Rivière Doré property. The Company was also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the Rivière Doré property.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake in relation to the property.

On June 29, 2016, the Company announced that it had received a written notification from the Quebec Ministry of Energy and Natural Resources (“MERN”) that effective June 28, 2016 all claims under suspension on the Company’s Rivière Doré project had been lifted.

On February 9, 2017, the Company received notification from MERN suspending all the Company’s mining claims related to its Rivière Doré Project and on February 21, 2017, the Company filed an appeal against the suspension. The Company strongly disagreed with MERN’s decision to suspend its claims.

(Expressed in Canadian dollars)

6. Exploration and evaluation assets and expenditures (continued)

(a) Rivière Doré (continued)
On November 15, 2017, the Company entered in to a settlement agreement with the Québec Government which facilitated an end to the Company's participation in the Rivière Doré project. Pursuant to the settlement agreement, the Company agreed to the assignment of all the mining claims comprising the Rivière Doré project to SOQUEM and the Québec Government agreed to pay $8 million in cash to the Company in consideration for, among other things, the amounts invested in exploration works on the project by the Company. The transaction closed on December 21, 2017. As a result, the $854,996, related to Rivière Doré, that was included in exploration and evaluation assets in the Company's consolidated statements of financial position has been written off and the $8 million received is recorded as litigation settlement in the consolidated statement of operations and comprehensive income (loss) for the year ended December 31, 2017.

The exploration and evaluation expenses related to the Rivière Doré for the years ended December 31, 2018 and 2017 were as follows:

	Years ended December 31, 2018	Years ended December 31, 2017
Consulting	$ -	$ 106,756
Government assistance	(35,093)	-
Legal	48,895	602,090
Travel & accomodation	-	3,301
Field office and supplies	-	4,207
Truck rental	-	1,997
Total	$ 13,802	$ 718,351

(b) Las Morras option

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project (the "Project"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("Emerita") pursuant to a binding letter agreement dated November 10, 2017 (the "Agreement").

Pursuant to the Agreement, Emerita has granted the Company an option (the "Option") to acquire a 100% interest in the Project. During the year ended December 31, 2017, as consideration for the Option, the Company paid $25,000 in cash, and paid an additional $75,000 in cash on January 10, 2018. In order to exercise the Option and acquire a 100% interest in the Project, the Company is required to:

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and
- grant to Emerita a 2% net smelter returns royalty on the Project.

(Expressed in Canadian dollars)

6. Exploration and evaluation assets and expenditures (continued)

(a) Las Morras option (continued)

Emerita will hold the Project in trust for the Company until the Option is exercised and the Project is assigned and transferred to the Company. If the Option is not exercised, Emerita will retain the Project. During the option period, the Company will be the operator of the Project. The original exploration permit for Las Morras was granted in 2012 and has been extended through subsequent renewals. The most recent renewal was valid until February 19, 2019. Emerita has filed a request with government authorities for an additional extension of the underlying permit and expects that approval is imminent.

This transaction was at arm's length and the Company did not pay any finder's fees in connection with this transaction.

The exploration and evaluation expenses related to Las Morras for the years ended December 31, 2018 and 2017 were as follows:

	Years ended December 31, 2018	Years ended December 31, 2017
Claims & maintenance	$ 46,278	-
Land manager	17,404	$ -
Management fee and tax	52,301	-
Total	$ 115,983	$ -

7. Share Capital

Preferred Shares

Authorized: unlimited, without par value
Issued and outstanding: nil preferred shares

Common Shares

Authorized: unlimited, without par value
Issued and outstanding:

Balance, December 31, 2018, 2017 and 2016	**34,190,109**	**$ 18,922,990**

(Expressed in Canadian dollars)

8. Share-based payments reserves

	Options			Warrants			Total
	Number of options	Weighted average exercise price	Estimated grant date fair value of options	Number of warrants	Weighted average exercise price	Estimated Grant Date Fair Value of warrants	
December 31, 2016	**2,376,800**	**$ 0.32**	**$ 683,990**	**19,700,288**	**$ 0.20**	**$ 1,087,494**	**$ 1,771,484**
Expired	(415,000)	0.57	(147,102)	-	-	-	(147,102)
December 31, 2017	**1,961,800**	**$ 0.26**	**$ 536,888**	**19,700,288**	**$ 0.20**	**$ 1,087,494**	**$ 1,624,382**
Expired	(20,000)	1.00	(15,889)	(19,700,288)	0.20	(1,087,494)	(1,103,383)
December 31, 2018	**1,941,800**	**$ 0.25**	**$ 520,999**	**-**	**$ -**	**$ -**	**$ 520,999**

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed 5 years.

During the year ended December 31, 2018, the Company recorded expired unexercised stock options of $15,889 (December 31, 2017 - $147,102) to deficit.

The following options were in existence at December 31, 2018:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price ($)	Fair value at grant date ($)	Grant date share price ($)	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
233,000	233,000	14-May-2014	14-May-2019	0.70	156,110	0.70	120%	5	0	1.50%
10,000	10,000	03-Jul-2014	03-Jul-2019	0.70	6,700	0.50	120%	5	0	1.52%
1,698,800	1,698,800	11-Oct-2016	11-Oct-2021	0.19	358,189	0.19	190%	5	0	0.76%
1,941,800	1,941,800				520,999					

Options issued by the Company are priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model is adjusted based on managements' best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The expected life of the option is calculated based on the history of option exercises. The weighted average remaining contractual life of the options exercisable at December 31, 2018 was 2.5 years (December 31, 2017 – 3.4 years).

During the year ended December 31, 2018, the Company recorded expired unexercised warrants of $1,087,494 (December 31, 2017 - $nil) to deficit.

There were no warrants outstanding at December 31, 2018 (December 31, 2017 – 19,700,288).

(Expressed in Canadian dollars)

9. Related party transactions and balances

During the year ended December 31, 2018 and 2017, the Company entered into the following transactions in the ordinary course of business with related parties from an accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services Years ended December 31, 2018	2017
Forbes & Manhattan, Inc.	$ 120,000	$ 1,120,000
QMX Gold Corporation	-	2,731

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month is charged by Forbes pursuant to a consulting agreement. In addition, Forbes was paid a bonus of $nil during the year ended December 31, 2018 (December 31, 2017 - $1,000,000).

The Company shared its office space with QMX Gold Corporation ("QMX") located in Val-d'Or. During the year ended December 31, 2018, $nil was charged by QMX to the Company for rent and consulting expenses (December 31, 2017 - $2,731). Deborah Battiston, an officer of the Company, is an officer of QMX.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the years ended December 31, 2018 and 2017 were as follows:

	Years ended December 31, 2018	2017
Short-term benefits	$ 229,500	$ 1,719,000

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

See Note 10.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

(Expressed in Canadian dollars)

10. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $3,280,000 to be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $373,000 due within one year.

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. (See note 6)

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

11. Financial instruments

Financial assets and financial liabilities as at December 31, 2018 and 2017 were as follows:

December 31, 2018	Loans and receivables	Total
Cash and cash equivalents	$ 4,379,739	$ 4,379,739
Receivables	38,374	38,374
Accounts payable and accrued liabilities	(35,203)	(35,203)

December 31, 2017	Loans and receivables	Total
Cash and cash equivalents	$ 4,838,783	$ 4,838,783
Receivables	403,050	403,050
Accounts payable and accrued liabilities	(40,520)	(40,520)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years ended December 31, 2018 and 2017.

The carrying values of cash, receivable and accounts payable and accrued liabilities reflected on the consolidated statements of financial position approximate fair value due to the limited terms of these instruments.

11. Financial instruments (continued)

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in receivables consist of receivables from the Canadian government. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2018, the Company had a cash and cash equivalent balance of $4,379,739 (December 31, 2017 – $4,838,783) to settle current liabilities of $35,203 (December 31, 2017 - $40,520). The Company's financial liabilities generally have contractual maturities of less than 30 days.

(a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As at December 31, 2018, the Company had US$2,600,101 ($3,547,058) included in cash and cash equivalents.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the year.

- The Company does not hold interest bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- A $0.01 strengthening or weakening of the US dollar against the Canadian dollar at December 31, 2018 would result in an increase or decrease in operating loss of $26,001.

11. Financial instruments (continued)

(d) Fair value

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the balance sheet. These have been prioritized into three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Inputs for the asset or liability that are not based on observable market data.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

At December 31, 2018, the Company’s financial instruments that are carried at fair value, consist of marketable securities of which $nil (December 31, 2017 – $nil) have been classified as Level 1 within the fair value hierarchy.

12. Management of capital risk

The Company considers its capital structure to consist of its cash and cash equivalents, common shares, stock options and warrants. The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an 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 the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company’s investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2018 and 2017.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

(Expressed in Canadian dollars)

13. Income taxes

a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2017- 26.5%) were as follows:

	2018 $	2017 $
Income/(loss) before income taxes	(711,562)	3,167,908
Expected income tax recovery based on statutory rate	(192,000)	853,000
Adjustment to expected income tax benefit:		
Other	(1,000)	(6,000)
Change in benefit of tax assets not recognized	193,000	(847,000)
Deferred income tax provision (recovery)	-	-

b) Deferred income taxes

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

	2018 $	2017 $
Non-capital loss carry-forwards	7,758,000	7,131,000
Share issue costs	82,000	122,000
Exploration property costs	130,000	0
Capital loss carry-forwards	5,861,000	5,861,000

The tax losses expire from 2027 to 2036. The other temporary differences do not expire under current legislation.

Year of expiry	Amount $
2027	89,000
2028	777,000
2029	1,038,000
2031	859,000
2032	706,000
2033	611,000
2034	1,633,000
2035	984,000
2036	434,000
2038	627,000
	7,758,000

14. Subsequent events

On March 14, 2019, the Company announced the appointment of Stan Bharti as President and CEO and as a director of the Company. G. Scott Moore will continue as Chairman of the Company. The appointment followed the resignation of Paul Pint from the board.

On March 19, 2019, the Company announced that it would be pursuing a change of business to an investment company (the “Proposed COB”) under the rules of the Canadian Securities Exchange (the “CSE”). In connection with the Proposed COB, the Company intends to adopt an investment policy to govern its investment activities and investment strategy. Completion of the COB is subject to the receipt of all necessary approvals, which include shareholder approval, regulatory approval for the listing of the Company’s common shares on the CSE and the concurrent delisting of common shares of the Company on the TSXV.

On March 19, 2019, the Company announced the appointment of Fred Leigh to the Company’s board of directors and the resignation of Thomas Olesinski from the board of directors.

Management's Discussion and Analysis

For the year ended December 31, 2018

Introduction

The following Management's Discussion and Analysis ("MD&A") of financial results and related data of Copper One Inc. ("Copper One" or the "Company") is intended to complement and supplement the audited consolidated financial statements for the years ended December 31, 2018 and 2017 (the "Financial Statements") and should be read in conjunction with the Financial Statements. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

The commentary is current to April 8, 2019 unless otherwise indicated. References to the 1st, 2nd, 3rd and 4th quarters of 2018 or Q1-2018, Q2-2018, Q3-2018 and Q4-2018, and the 1st, 2nd, 3rd and 4th quarters of 2017 or Q1-2017, Q2-2017, Q3-2017 and Q4-2017 mean the three months ended March 31, June 30, September 30 and December 31, 2018 and 2017 respectively. The reader should be aware that historical results are not necessarily indicative of future performance. The Company is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario. The Company's common shares commenced trading on the TSX Venture Exchange ("TSXV") on November 16, 2009 under the symbol "CUO.V" and prior to that, traded on the Canadian National Stock Exchange.

Cautionary Note Regarding Forward-Looking Statements

Except for statements of historical fact relating to Copper One, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; First Nations risks; litigation risks; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Description of Business

Copper One is a Canadian company listed on the TSXV and is currently evaluating potential opportunities. The Company owns an option to purchase a 100% interest in the Las Morras gold project in the Extremadura region of Spain.

Company Outlook and Recent Developments

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to Copper One's participation in the Rivière Doré project. Pursuant to the settlement agreement, the Company agreed to the assignment of all of the mining claims comprising the Rivière Doré project to SOQUEM and the Quebec Government agreed to pay $8 million in cash to the Company. The transaction closed December 21, 2017. See the Exploration and Evaluation section for details.

The Company has been focusing its efforts on evaluating potential opportunities and the evaluation of its option to purchase a 100% interest in the Las Morras gold project (see Exploration and Evaluation section below for details).

On March 19, 2019, the Company announced that it would be pursuing a change of business to an investment company (the “Proposed COB”) under the rules of the Canadian Securities Exchange (the “CSE”). In connection with the Proposed COB, the Company intends to adopt an investment policy to govern its investment activities and investment strategy. Completion of the Proposed COB is subject to the receipt of all necessary approvals, including shareholder approval and regulatory approval for the listing of the Company’s common shares on the CSE and the concurrent delisting of common shares of the Company on the TSXV.

Selected Annual Financial Information

The table below provides a summary of selected annual financial information for the years ended December 31, 2018, 2017 and 2016:

(Expressed in Canadian dollars $)	December 31, 2018	December 31, 2017	December 31, 2016
Net (loss) income for the year	(711,562)	3,167,908	(761,314)
Per share - basic and diluted loss	(0.02)	0.09	(0.04)
Total Assets	4,581,026	5,297,905	2,221,232
Working Capital (1)	4,445,823	5,226,052	1,224,100

(1) See Non-GAAP measures.

Selected Quarterly Financial Information

For the three months ended	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
(Expressed in Canadian dollars$)				
Net (loss)	$ (152,441)	$ (295,338)	$ (108,774)	$ (155,009)
(Loss) per share				
- basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)
Total assets	4,581,026	4,805,909	5,013,929	5,190,944

For the three months ended	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
(Expressed in Canadian dollars$)				
Net income (loss)	$ 4,069,140	$ (261,824)	$ (309,678)	$ (329,730)
Income (Loss) per share				
- basic and diluted	0.12	(0.01)	(0.01)	(0.01)
Total assets	5,297,905	1,391,274	1,564,828	1,954,775

Liquidity and Capital Resources

The Company does not have any operating assets that generate revenues. The Company recorded a net loss of $711,562 for the year ended December 31, 2018 (December 31, 2017 – net income of $3,167,908). Operating activities used net cash of $384,044 (December 31, 2017 – cash provided of $3,498,934).

The Company has a need for financing for evaluating potential opportunities and for exploration and development. The Company has no revenues and its continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation.

Working Capital

As at December 31, 2018, the Company had a working capital (see Non-GAAP measures) of $4,445,823 (December 31, 2017 – $5,226,052).

Cash Flows

Cash Flows for the three months ended December 31, 2018 and 2017

(Expressed in Canadian dollar $)	For the three months ended December 31,	
	2018	2017
Cash (used in) operating activities	$ (303,334)	$ 4,406,846
Cash provided by investing activities	-	(25,000)
Change in cash and cash equivalents	$ (303,334)	$ 4,381,846

Cash of $303,334 was used by operating activities during the three months ended December 31, 2018 compared to $4,406,846 provided by operating activities during the three months ended December 31, 2017. Cash provided by operating activities during the three months ended December 31, 2017 was mainly the result of proceeds of a settlement agreement entered into in relation to the Company's Rivière Doré project. Cash used by investing activities of $25,000 in the three months ended December 31, 2017 was for an option payment on the Las Morras project.

Cash Flows for the years ended December 31, 2018 and 2017

(Expressed in Canadian dollar $)	For the year ended December 31, 2018	2017
Cash (used in) provided by operating activities	$ (384,044)	$ 3,498,934
Cash (used in) provided by investing activities	(75,000)	134,330
Change in cash and cash equivalents	$ (459,044)	$ 3,633,264

Cash of $384,044 was used by operating activities during the year ended December 31, 2018 compared to $3,498,934 provided by operating activities during the year ended December 31, 2017. Cash provided by operating activities during the three months ended December 31, 2017 was mainly the result of proceeds of a settlement agreement entered into in relation to the Company's Rivière Doré project. Cash used in investing activities of $75,000 during the year ended December 31, 2018 was for an option payment on the Las Morras project. Cash provided by investing activities in the year ended December 31, 2017 was the result of the sale of shares of Cornerstone Metals Inc. offset by an option payment of $25,000 on the Las Morras project.

Results of Operations

For the three months ended December 31, 2018 and 2017

Operating expenses	For the three months ended December 31, 2018	2017
Management and consulting fees	$ 126,073	$ 2,717,824
General office and administration expenses	15,760	21,133
Shareholder communications and filing fees	7,819	15,562
Travel and promotion	173,128	39,959
Accounting and legal	12,000	22,540
Exploration and evaluation expenses	3,703	192,628
Amortization	-	404
Foreign exchange loss	(181,216)	64,482
Total operating expenses	157,267	3,074,532
(Loss) before other income (expenses)	(157,267)	(3,074,532)
Other income (expenses)		
Litigation settlement	-	8,000,000
Disposition of exploration and evaluation properties	-	(854,996)
Loss on disposition of property and equipment	-	(1,806)
Interest income	4,826	474
Net (loss) income and comprehensive (loss) income for the period	$ (152,441)	$ 4,069,140

The Company recorded a net loss and comprehensive loss of $152,441 during the three months ended December 31, 2018 compared to net income of $4,069,140 during the same period in the prior year. Net income in the prior year was mainly the result of proceeds of a settlement agreement entered into with the government of Quebec. The Company also recorded a disposition of exploration and evaluation properties of $854,996 in the prior year in connection with the settlement. The Company paid bonuses of $2,600,000, included in management and consulting fees during the three months ended December 31, 2017.

Exploration and evaluation expenses:

	Three months ended December 31, 2018		Three months ended December 31, 2017	
Claims & maintenance	$	18,053	$	-
Land manager		10,967		-
Management fee and tax		9,776		-
Total Las Morras	$	38,796	$	-
Government assistance	$	(35,093)	$	-
Legal		-		192,468
Field office and supplies		-		160
Truck rental		-		-
Total Riviere Dore	$	(35,093)	$	192,628
Total exploration and evaluation	**$**	**3,703**	**$**	**192,628**

For the years ended December 31, 2018 and 2017

erating expenses	For the years ended December 31, 2018		For the years ended December 31, 2017	
Management and consulting fees	$	474,635	$	3,058,123
General office and administration expenses		86,818		82,870
Shareholder communications and filing fees		67,984		65,386
Travel and promotion		218,373		39,959
Accounting and legal		30,498		28,720
Exploration and evaluation expenses		129,785		718,351
Amortization		-		2,242
Foreign exchange gain		(285,221)		64,482
:al operating expenses		722,872		4,060,133
ss before other income (expenses)		(722,872)		(4,060,133)
ner income (expenses)				
Litigation settlement		-		8,000,000
Disposition of exploration and evaluation properties		-		(854,996)
Loss on disposition of property and equipment		(6,333)		(1,806)
Realized (loss) on held for trading marketable securities		-		(43,170)
Unrealized gain on held for trading marketable securities		-		123,750
Interest income		17,643		4,263
t (loss) and comprehensive (loss) for the year	$	(711,562)	$	3,167,908

The Company recorded a net loss and comprehensive loss of $711,582 during the year ended December 31, 2018 compared to income of $3,167,908 during the prior year. Net loss in the current year was offset by a foreign exchange gain as a result of revaluation of working capital items held in US dollars. Net income in the prior year was mainly the result of proceeds of a settlement agreement entered into with the government of Quebec as described in the Exploration and Evaluation section. The Company also recorded a disposition of exploration and evaluation properties of $854,996 in the prior year in connection with the settlement. Income from the settlement was offset by bonuses of $2,600,000 during the year ended December 31, 2017, included in management and consulting fees.

Exploration and evaluation expenses:

	Year ended December 31, 2018	Year ended December 31, 2017
Claims & maintenance	$ 46,278	$ -
Land manager	17,404	-
Management fee and tax	52,301	-
Total Las Morras	$ 115,983	$ -
Consulting	$ -	$ 106,756
Government assistance	(35,093)	-
Legal	48,895	602,090
Travel & accomodation	-	3,301
Field office and supplies	-	4,207
Truck rental	-	1,997
Total Riviere Dore	$ 13,802	$ 718,351
Total exploration and evaluation	**$ 129,785**	**$ 718,351**

Exploration and Evaluation

Las Morras

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project (the "Project"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("Emerita") pursuant to a binding letter agreement dated November 10, 2017 (the "Agreement") between Copper One and Emerita.

Pursuant to the Agreement, Emerita has granted the Company an option (the "Option") to acquire a 100% interest in the Project. As consideration for the Option, the Company paid $25,000 in cash on November 17, 2017 and paid an additional $75,000 in cash on January 10, 2018. In order to exercise the Option and acquire a 100% interest in the Project, the Company is required to:

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and

- grant to Emerita a 2% net smelter returns royalty on the Project.

Emerita will hold the Project in trust for the Company until the Option is exercised and the Project is assigned and transferred to the Company. If the Option is not exercised, Emerita will retain the Project. During the option period, the Company will be the operator of the Project. The original exploration permit for Las Morras was granted in 2012 and has been extended through subsequent renewals. The most recent renewal was valid until February 19, 2019. Emerita has filed a request with government authorities for an additional extension of the underlying permit and expects that approval is imminent.

This transaction was at arm's length and the Company has not paid any finder's fees in connection with this transaction.

Rivière Doré

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. ("Cartier") to acquire 100% of the Rivière Doré Copper Nickel property ("Rivière Doré") located southeast of the town of Val D'Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company, with an estimated fair value of $550,000, and granted a royalty of 1% of the net smelter return in connection with ore extracted from the Rivière Doré property. The Company also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the Rivière Doré property.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barrière Lake in relation to the property.

On June 29, 2016, the Company received a written notification from the Ministry of Energy and Natural Resources ("MERN") that effective June 28, 2016 all claims under suspension on the Company's Rivière Doré project had been lifted. The notice also stated that the Company has a right of access to the land under the claims, and has the right to conduct any and all exploration work deemed appropriate. The claims had also been extended by an additional two years.

On November 14, 2016, the Company announced its first drilling program to be conducted on the Rivière Doré property, located 150 kilometres southeast of the prolific mining district of Val d'Or, Quebec. The Company designed an initial 2,000 metre drilling program. The Company submitted its applications for the requisite permits to the appropriate Government of Québec ministries on October 10, 2016.

On January 27, 2017, the MERN issued a press release announcing its intention to suspend all the Rivière Doré claims of Copper One in the Lac Barrière area near Val-d'Or, Quebec. MERN's proposed suspension of the Company's claims appeared to be a response to a press conference held by members of the Algonquins of Barrière Lake who denounced the *Mining Act* (Quebec) as illegal and unconstitutional.

On February 9, 2017, the Company received a decision from MERN suspending all of Copper One's mining claims related to its Rivière Doré project. MERN based their suspension decision on section 63 of the *Mining Act* (Quebec).

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of the MERN issued on February 8, 2017 to suspend all of Copper One's mining claims related to its Rivière Doré project. Copper One strongly disagreed with MERN's decision to suspend its claims.

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to Copper One's participation in the Rivière Doré project.

On December 21, 2017, the Company completed the assignment of all of the mining claims comprising the Rivière Doré project to SOQUEM and as consideration the Québec Government paid $8 million in cash to the Company.

Financial Commitments and Contractual Obligations

Management commitments

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $3,280,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $367,000 due within one year.

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

Transactions with Related Parties

During the years ended December 31, 2018 and 2017, the Company entered into the following transactions in the ordinary course of business with related parties from an accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services Years ended December 31, 2018	Purchase of goods and services Years ended December 31, 2017
Forbes & Manhattan, Inc.	$ 120,000	$ 1,120,000
QMX Gold Corporation	-	2,731

Mr. Stan Bharti is the Executive Chairman of Forbes & Manhattan, Inc. ("Forbes"). The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month is charged by Forbes pursuant to a consulting agreement. In addition, Forbes was paid a bonus of $nil during the year ended December 31, 2018 (December 31, 2017 - $1,000,000).

The Company shared its office space with QMX Gold Corporation ("QMX") located in Val-d'Or. During the year ended December 31, 2018, $nil was charged by QMX to the Company for rent and consulting expenses (December 31, 2017 - $2,731). Deborah Battiston, an officer of the Company, is an officer of QMX.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the years ended December 31, 2018 and 2017 were as follows:

	Years ended December 31, 2018	2017
Short-term benefits	$ 229,500	$ 1,719,000

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying values of these financial instruments approximate their fair values due to the short maturity of those instruments.

Outstanding Share Data

As at the date hereof, there were 34,190,109 common shares of the Company outstanding and 1,941,800 stock options outstanding with a weighted average exercise price of $0.25 per option.

Non-GAAP Measures

The MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These non-GAAP measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

Working Capital

Current assets	December 31, 2018	December 31, 2017
Cash and cash equivalents	$ 4,379,739	$ 4,838,783
Receivables	38,374	403,050
Prepaid expenses and deposits	62,913	24,739
Total current assets	4,481,026	5,266,572
Current liabilities		
Accounts payable and accrued liabilities	$ 35,203	$ 40,520
Total liabilities	35,203	40,520
Working capital (current assets less current liabilities)	$ 4,445,823	$ 5,226,052

Net cash (used in) provided by operating activities

(Expressed in Canadian dollars $)	Three months ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
Cash (used in) provided by operating activities before change in working capital items	$ (152,441)	$ 4,926,346	$ (705,229)	$ 3,946,372
Cash (used in) provided by change in working capital items	(150,893)	(519,500)	321,185	(447,438)
Net cash (used in) provided by operating activities	$ (303,334)	$ 4,406,846	$ (384,044)	$ 3,498,934

New and future accounting pronouncements

On January 1, 2018, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included amendments to IFRS 2, IFRS 9 and IFRIC 22. These new standards and changes did not have any material impact on the Company's consolidated financial statements. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018 and did not result in any change in the carrying values of the Company's financial assets or liabilities.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2019 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IFRS 16 - Leases ('IFRS 16") replaces IAS 17 - Leases. The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment or group of tax treatments that it used or plans to use in its income tax filings. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

Critical Judgments and Estimation Uncertainties

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed and affect estimates for provisions for reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material. See Note 2 of the Company's Consolidated Financial Statements for years ended December 31, 2018 and 2017 for details.

Risks and Uncertainties

The Company is currently evaluating potential opportunities, which may include the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties, if any. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties, if any, or reduce or terminate some or all of its activities.

While the Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's mining and project development operations, if any.

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of the MERN to suspend all of the Company's mining claims related to its Rivière Doré project. The Company strongly disagreed with MERN's decision to suspend its claims.

On February 6, 2017, the Company commenced mandamus proceedings in the Superior Court of Québec to force the issuance by the Ministry of Forests, Wildlife and Parks (the "MFFP") of a forest management permit to allow for drilling on 11 locations on the Rivière Doré project. Copper One sought to compel the MFFP to issue the forest management permit because it believed that MERN influenced the MFFP in order to delay or prevent the issuance of such permit.

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to the Company's participation in the Rivière Doré project. The transaction closed on December 15, 2017. The Algonquins of Barrière Lake have denounced the *Mining Act* (Quebec) as illegal and unconstitutional and the Company understands that the Algonquins of Barrière Lake may continue to challenge any activity and transactions related to the Rivière Doré project.

First Nations

First Nations in the Province of Québec are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands. In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining opportunities and could result in costs and delays or materially restrict the Company's activities. Mining licenses and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations may be subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's property interests, if any, may be located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date, the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties, if any, will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, if any, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, if any, commence construction or operate mining facilities.

Mineral Commodity Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Company's properties, if any.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development and mining of the Company's properties, if any, could be subject to resistance from local residents that could either prevent or delay exploration and development of such properties.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase projected costs.

Foreign Operations

The Company has an option to purchase the Las Morras project located in Spain. As such, the Company's proposed activities with respect to this Project will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Spain. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties, if any. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. Even if the Company's exploration program on its properties, if any, is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Current Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Subsequent events

On March 14, 2019, the Company announced the appointment of Stan Bharti as President and CEO and as a director of the Company. G. Scott Moore will continue as chairman of the Company's board of directors. Mr. Bharti is a professional engineer, international financier, and seasoned entrepreneur. He has more than 30 years of experience in business, finance, markets, and operations. The appointment followed the resignation of Paul Pint from the board.

On March 19, 2019, the Company announced a Proposed COB under the rules of the CSE. See Company Outlook and Recent Developments section for details.

On March 19, 2019, the Company announced the appointment of Fred Leigh to the Company's board of directors and the resignation of Thomas Olesinski from the board of directors. Mr. Leigh has been involved in the investment industry for more than 35 years and has had a significant role as founder, director and/or investor in many public companies.

Additional Information

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
December 31, 2017 and 2016

(in Canadian dollars)

UHY McGovern Hurley LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Copper One Inc.

We have audited the accompanying consolidated financial statements of Copper One Inc. and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Copper One Inc. and its subsidiary as at December 31, 2017 and 2016, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 26, 2018

Copper One Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)
As at

	Note	December 31, 2017	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents		$ 4,838,783	$ 1,205,519
Marketable securities	3	-	78,750
Receivables	4	403,050	43,621
Prepaid expenses	5	24,739	27,965
Total current assets		$ 5,266,572	1,355,855
Non-current assets			
Property and equipment	6	6,333	10,381
Exploration and evaluation assets	7	25,000	854,996
TOTAL ASSETS		$ 5,297,905	$ 2,221,232
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 40,520	$ 131,755
Total liabilities		$ 40,520	131,755
Shareholders' Equity (Deficiency)			
Share capital	8	18,922,990	18,922,990
Share-based payments reserves	9	1,624,382	1,771,484
Deficit		(15,289,987)	(18,604,997)
Total shareholders' equity (deficiency)		$ 5,257,385	2,089,477
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		$ 5,297,905	$ 2,221,232

Nature of operations and going concern	1
Commitments and contingencies	11
Subsequent events	15

Approved on behalf of the Directors:

"Scott Moore" — Director

"Paul Pint " — Director

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

Copper One Inc.

Consolidated Statements of Operations and Comprehensive Income (Loss)

(Expressed in Canadian dollars)

	Note	For the years ended December 31, 2017	2016
Operating expenses			
Management and consulting fees	10	$ 3,058,123	$ 281,186
Share-based payments	9	-	358,189
General office and administration expenses		82,870	36,563
Shareholder communications and filing fees		65,386	48,160
Travel and promotion		39,959	-
Accounting and legal		28,720	27,738
Exploration and evaluation expenses	7	718,351	115,774
Amortization	6	2,242	204
Foreign exchange loss		64,482	-
Total operating expenses		$ 4,060,133	$ 867,814
(Loss) before other income (expenses)		(4,060,133)	(867,814)
Other income (expenses)			
Litigation settlement	7(a)	8,000,000	-
Disposition of exploration and evaluation properties	7(a)	(854,996)	-
Gain on debt settlement		-	39,000
Loss on dispositon of property and equipment	6	(1,806)	-
Realized (loss) on held for trading marketable securities	3	(43,170)	-
Change in unrealized gain on held for trading marketable securities	3	123,750	67,500
Interest income		4,263	-
Net income (loss) and comprehensive income (loss) for the year		$ 3,167,908	$ (761,314)
Income (loss) per share			
Basic		$ 0.09	$ (0.04)
Diluted		$ 0.09	$ (0.04)
Weighted average number of shares outstanding:			
Basic		34,190,109	19,319,854
Diluted		34,190,109	19,319,854

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

Copper One Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	Year ended December 31, 2017	2016
Cash provided by (used in) operations:			
Income (loss) for the year		$ 3,167,908	$ (761,314)
Items not involving cash:			
Share-based payments	9	-	358,189
Amortization	6	2,242	204
Loss on disposition of property and equipment	6	1,806	-
Disposition of exploration and evaluation assets	7	854,996	-
Realized loss on held for trading marketable securities	3	43,170	-
Unrealized (gain) on held for trading marketable securities	3	(123,750)	(67,500)
Gain on debt settlement		-	(39,000)
Director fees reversal		-	(211,667)
Change in working capital items:			
Receivables		(359,429)	(12,315)
Prepaid expenses and deposits		3,226	(26,581)
Accounts payable and accrued liabilities		(91,235)	(306,196)
Net cash provided by (used in) operating activities		3,498,934	(1,066,180)
Investing activities			
Exploration and evaluation assets	7(b)	(25,000)	-
Expenditures on property and equipment	6	-	(10,585)
Proceeds from sale of marketable securities, net of commissions		159,330	-
Net cash provided by (used in) investing activities		134,330	(10,585)
Financing activities			
Proceeds from issuance of shares		-	2,435,524
Share issue costs		-	(207,089)
Net cash provided by financing activities		-	2,228,435
Change in cash and cash equivalents		3,633,264	1,151,670
Cash and cash equivalents, beginning of year		1,205,519	53,849
Cash and cash equivalents, end of year		$ 4,838,783	$ 1,205,519
Cash and cash equivalents are comprised of:			
Cash in bank		$ 4,838,783	$ 1,195,519
Cashable guaranteed investment certificates		-	10,000
Supplemental information:			
Common shares issued for debt		$ -	$ 767,250

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

Copper One Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Share-based payments Options	Share-based payments Warrants	Share-based payments reserve	Deficit	Total
Balance, December 31, 2015	6,853,385	$17,014,798	$ 409,117	$ -	$ 409,117	$(17,926,999)	(503,084)
Share-based payments	-	-	358,189		358,189	-	358,189
Expiry of options	-	-	(83,316)	-	(83,316)	83,316	-
Shares issued for debt settlement	8,601,923	767,250	-	-	-	-	767,250
Units issued through private placement	18,734,801	2,435,524	-	-	-	-	2,435,524
Fair value of warrant allocation	-	(1,119,374)	-	1,119,374	1,119,374	-	-
Broker warrants issued	-	-	-	113,911	113,911	-	113,911
Costs of issue	-	(175,208)	-	(145,791)	(145,791)	-	(320,999)
Net loss for the year	-	-	-	-	-	(761,314)	(761,314)
Balance, December 31, 2016	**34,190,109**	**$18,922,990**	**$ 683,990**	**$ 1,087,494**	**$ 1,771,484**	**$(18,604,997)**	**$ 2,089,477**
Expiry of options	-	-	(147,102)	-	(147,102)	147,102	-
Net income for the year	-	-	-	-	-	3,167,908	3,167,908
Balance, December 31, 2017	**34,190,109**	**$18,922,990**	**$ 536,888**	**$ 1,087,494**	**$ 1,624,382**	**$(15,289,987)**	**$ 5,257,385**

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

1. Nature of operations and going concern

Copper One Inc. (the “Company”) operates under the Canada Business Corporations Act. The Company’s wholly owned subsidiary 7231300 Canada Ltd. was incorporated on August 26, 2009. The Company’s common shares trade on the TSX Venture Exchange under the symbol “CUO”.

The Company is in the process of exploring and evaluating mineral property interests. The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The Company’s continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company’s Rivière Doré Copper Nickel property (“Rivière Doré”) exploration and evaluation assets were suspended. The Company appealed the suspension and, during the year ended December 31, 2017, entered into a settlement agreement with the Quebec Government (see Note 7).

The consolidated financial statements of the Company for the year ended December 31, 2017 were reviewed, approved and authorized for issue by the Board of Directors on April 26, 2018.

The Company has an accumulated deficit of $15,289,987, working capital of $5,226,052 as at December 31, 2017 and has net income totaling $3,167,908 during the year ended December 31, 2017. The Company has a need for equity capital and financing for working capital and exploration and development of its properties. The Company has no revenues and its continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required.

The head office and principal address of the Company is at Suite 805, 65 Queen Street West, Toronto, Ontario M5H 2M5.

2. Significant accounting policies

Statement of compliance

These consolidated financial statements of the Company and its subsidiary have been prepared in accordance International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 7231300 Canada Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation.

Subsidiaries
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Critical accounting judgments and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

2. Significant accounting policies (continued)

Critical accounting judgments and estimation uncertainties (continued)

Impairment of exploration and evaluation assets
While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Estimation of decommissioning and restoration costs and the timing of expenditure
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
See Note 11.

2. Significant accounting policies (continued)

Functional currency

The Company's functional and presentation currency is the Canadian dollar ("$"). Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Foreign exchange gains and losses are presented in the consolidated statement of operations.

Share-based payments and warrants

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

On exercise, the value originally recorded in reserves is recorded to share capital with proceeds received. For those options and warrants that expire after vesting, the recorded value is transferred from reserves to deficit.

Property and equipment

Property and equipment is comprised of mining equipment and computer software, which are recorded at cost less accumulated depreciation. The cost of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location, and condition necessary for its intended use. At each reporting period, the Company evaluates the estimated useful life of its property and equipment and changes in circumstances indicating that the carrying value may not be recoverable.

2. Significant accounting policies (continued)

Property and equipment (continued)

Computer software is depreciated on a straight-line basis over its estimated useful life of 3 years.

Mining equipment is depreciated on a straight-line basis over its estimated useful life of 5 years.

Property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Exploration and evaluation assets

Exploration expenditure relates to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

The cost of exploration properties, which include the cost of acquiring prospective properties and exploration rights are capitalized to exploration and evaluation assets. Exploration costs incurred, subsequent to acquisition, in exploration and evaluation activities, are expensed as incurred and included in the consolidated statement of operations until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mineral properties.

Prior to capitalization to mineral properties, exploration and evaluation assets acquisition costs are first tested for impairment and any impairment loss recognized immediately in the consolidated statements of loss.

Mining tax credits

Mining tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with all conditions related to obtain the credits. These refundable mining tax credits are earned in respect to exploration costs incurred and are recorded as a reduction to exploration and evaluation expenses.

Provisions

I. General

Provisions are recognised when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2. Significant accounting policies (continued)

Provisions (continued)

II. Decommissioning and restoration provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred.

The obligation generally arises when an asset is installed, or the ground / environment is disturbed at the property location. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. As at December 31, 2017 and 2016, the Company had no material decommissioning and restoration provisions.

Income (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

Taxation

I. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

II. Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Significant accounting policies (continued)

Taxation (continued)

II. Deferred income tax (continued)

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Flow-through instruments

Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures could be claimed by the investors rather than the company.

A flow-through instrument comprises transfer of tax deductions and common shares. Proceeds from an issuance of a flow-through instrument are allocated to liability and equity components in proportion, according to their respective fair values at the date of issuance. Upon renunciation of the flow-through expenditures for Canadian income tax purposes, the related flow-through liability recognized in previous periods in the consolidated statement of financial position will be reversed and recorded as a component of other income (expense).

The Company has indemnified the subscribers of its flow-through share offerings against any tax related amounts that may become payable if the Company fails to meet its flow-through expenditure obligations.

2. Significant accounting policies (continued)

Financial instruments – recognition and measurement

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables, at fair value through profit or loss (“FVTPL”), or as other financial liabilities not at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value but through profit or loss are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

a) Cash and cash equivalents, and receivables have been classified as loans and receivables.

b) Marketable securities are classified at FVTPL.

c) Accounts payables and accrued liabilities have been classified as financial liabilities not at fair value through profit or loss.

Impairment of financial assets

The Company makes an assessment at the end of each reporting period whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

2. Significant accounting policies (continued)

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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, however the increased carrying amount cannot 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand.

New and future accounting pronouncements

During the year ended December 31, 2017, the Company adopted the following new standards and interpretations issued by the IASB that were effective as of January 1, 2017.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017. There was no impact on the Company's financial statements upon adoption of the amendment to IAS 7 on January 1, 2017.

2. Significant accounting policies (continued)

New and future accounting pronouncements (continued)

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. There was no impact on the Company's interim financial statements upon adoption of the amendments to IAS 12 on January 1, 2017.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2018 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

New and future accounting pronouncements (continued)

Accounting pronouncements not yet adopted (continued)

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment or group of tax treatments that it used or plans to use in its income tax filings. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

3. Marketable securities

On August 22, 2013, the Company received 2,250,000 common shares of Cornerstone Metals Inc. valued at $202,500. During the year ended December 31, 2017, the Company sold the 2,250,000 shares at a weighted average price of $0.07 per share for gross proceeds of $161,040 and paid commissions of $1,710. At December 31, 2016, the quoted market value of the 2,250,000 shares was $78,750. The Company recorded a realized loss of $43,170 and reversal of the cumulative unrealized loss of $123,750 related to the sale of the shares for the year ended December 31, 2017 (2016: unrealized gain of $67,500).

Paul Cowley, a former director of the Company, is a director and officer of Cornerstone Metals Inc.

4. Receivables

	December 31, 2017	December 31, 2016
Sales taxes recoverable	$ 403,050	$ 43,621
	$ 403,050	$ 43,621

5. Prepaid expenses

	December 31, 2017	December 31, 2016
Prepaid insurance	$ 22,939	$ 22,939
Prepaid expenses	1,800	5,026
	$ 24,739	$ 27,965

(Expressed in Canadian dollars)

6. Property and equipment

		Mining Equipment		Computer Software		Total
Net book value - December 31, 2015	$	-	$	-	$	-
Acquisition		8,085		2,500		10,585
Accumulated amortization		(135)		(69)		(204)
Net book value - December 31, 2016	$	7,950	$	2,431	$	10,381
Disposal		-		(1,806)		(1,806)
Accumulated amortization		(1,617)		(625)		(2,242)
Net book value - December 31, 2017	$	6,333	$	-	$	6,333

7. Exploration and evaluation assets and expenditures

The exploration and evaluation assets of the Company are comprised as follows:

	Rivière Doré $	Las Morras Option $	Total $
Balance, December 31, 2015 and 2016	854,996	-	854,996
Disposition (a)	(854,996)	-	(854,996)
Acquisition (b)	-	25,000	25,000
Balance, December 31, 2017	-	25,000	25,000

(a) Rivière Doré

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. ("Cartier") to acquire 100% of the Rivière Doré property located southeast of the town Val D'Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company with an estimated fair value of $550,000 and granted a royalty of 1% of the net smelter return in connection with ore extracted from the Rivière Doré property. The Company is also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the Rivière Doré property.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake in relation to the property.

On June 29, 2016, the Company announced that it has received a written notification from the Quebec Ministry of Energy and Natural Resources ("MERN") that effective June 28, 2016 all claims under suspension on the Company's Rivière Doré project had been lifted.

On February 9, 2017, the Company received notification from MERN suspending all the Company's mining claims related to its Rivière Doré Project and on February 21, 2017, the Company filed an appeal against the suspension. The Company strongly disagreed with MERN's decision to suspend its claims.

(Expressed in Canadian dollars)

7. Exploration and evaluation assets and expenditures (continued)

(a) Rivière Doré (continued)

On May 1, 2017, the Quebec Ministry of Forests, Fauna and Parks (the "MFFP") issued a letter to the Company wherein it announced its intention to deny the Company's forest management permit to allow for drilling on 11 locations on the Company's Rivière Doré project. The Company responded to the letter from the MFFP on May 4, 2017, asking them to reconsider their position.

On November 15, 2017, the Company entered in to a settlement agreement with the Québec Government which facilitated an end to the Company's participation in the Rivière Doré project. Pursuant to the settlement agreement, the Company agreed to the assignment of all the mining claims comprising the Rivière Doré project to SOQUEM and the Québec Government agreed to pay $8 million in cash to the Company in consideration for, among other things, the amounts invested in exploration works on the project by the Company. The transaction closed on December 21, 2017. As a result, the $854,996, related to Rivière Doré, that was included in exploration and evaluation assets in the Company's consolidated statements of financial position has been written off and the $8 million received is recorded as litigation settlement in the consolidated statement of operations and comprehensive income (loss).

The exploration and evaluation expenses related to the Rivière Doré for the years ended December 31, 2017 and 2016 were as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
Consulting	$ 106,756	$ 100,533
Government assistance	-	(31,377)
Legal	602,090	29,529
Travel & accomodation	3,301	7,803
Claims & maintenance	-	340
Field office and supplies	4,207	6,223
Truck rental	1,997	2,723
Total	$ 718,351	$ 115,774

(b) Las Morras option

On November 14, 2017, the Company announced that it has acquired an option to purchase a 100% interest in the Las Morras gold project (the "Project"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("Emerita") pursuant to a binding letter agreement dated November 10, 2017 (the "Agreement").

Pursuant to the Agreement, Emerita has granted the Company an option (the "Option") to acquire a 100% interest in the Project. During the year ended December 31, 2017, as consideration for the Option, the Company paid $25,000 in cash, and paid an additional $75,000 in cash on January 10, 2018 (subsequent to December 31, 2017). In order to exercise the Option and acquire a 100% interest in the Project, the Company is required to:

(Expressed in Canadian dollars)

7. Exploration and evaluation assets and expenditures (continued)

(b) Las Morras option (continued)

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and
- grant to Emerita a 2% net smelter returns royalty on the Project.

Emerita will hold the Project in trust for the Company until the Option is exercised and the Project is assigned and transferred to the Company. If the Option is not exercised, Emerita will retain the Project. During the option period, the Company will be the operator of the Project. The underlying permit is valid until January 16, 2019. The Company expects to extend the term through applications.

The transaction is at arm's length and the Company has not paid any finder's fees in connection with the transaction.

8. Share Capital

Preferred Shares

Authorized: unlimited, without par value
Issued and outstanding: nil preferred shares

Common Shares

Authorized: unlimited, without par value
Issued and outstanding:

	Number of Shares		Amount
Balance, December 31, 2015	**6,853,385**	**$**	**17,014,798**
Shares issued for debt settlement	8,601,923	$	767,250
Shares issued through private placement	18,734,801		2,435,524
Fair value of warrants allocation	-		(1,119,374)
Share issued costs	-		(175,208)
Balance, December 31, 2017 and 2016	**34,190,109**	**$**	**18,922,990**

On January 11, 2016, the Company entered into a shares for debt agreement with Forbes & Manhattan, Inc. ("Forbes") and 2227929 Ontario Inc. ("2227929") wherein $195,000 worth of debt was settled through the issuance of 3,900,000 common shares at a deemed price per share of $0.05. The fair value market value of shares issued in the settlement of debts was $156,000 based on the quoted market price of the Company's shares on the date the debt was settled. As a result, a gain of $39,000 was recorded on the settlement of debt.

8. Share Capital (continued)

On August 4, 2016, the Company closed a brokered private placement offering of 17,084,801 units for aggregate gross proceeds of $2,221,024. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at $0.20 until August 4, 2018. In connection with the offering, the Company paid a cash fee of 7% of the proceeds from certain subscribers and issued 849,987 broker options. Each broker option is exercisable at a price of $0.13 into one common share of the Company and one warrant until August 4, 2018. Each whole broker warrant entitles the holder to acquire one additional common share of the Company at a price of $0.20 until August 4, 2018. The issue date fair value of the warrants and broker options were estimated at $1,023,336 and $100,660, respectively using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 240%; risk-free interest rate of 0.54% and an expected life of 2 years. The Company incurred share issued costs of $151,681 and warrant issued costs of $129,600 in connection with the offering.

On August 17, 2016, the Company closed the second tranche of a brokered private placement offering of 1,650,000 units for aggregate gross proceeds of $214,500. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at $0.20 until August 17, 2018. In connection with the offering, the Company paid a cash fee of 7% of the proceeds from certain subscribers and issued 115,500 broker options. Each broker option is exercisable at a price of $0.13 into one common share of the Company and one warrant until August 17, 2018. Each whole broker warrant entitles the holder to acquire one additional common share of the Company at a price of $0.20 until August 17, 2018. The issue date fair value of the warrants and broker options were estimated at $96,038 and $13,251, respectively using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 220%; risk-free interest rate of 0.57% and an expected life of 2 years. The Company incurred share issued costs of $19,971 and warrant issued costs of $16,191 in connection with the offering.

Officers and directors of the Company (or entities controlled by them) subscribed for an aggregate of 3,172,308 units through the private placement financing.

A corporation with directors and officers in common with the Company subscribed for 846,154 units and 2227929 Ontario Inc. subscribed for 1,030,969 units.

On August 19, 2016, the Company entered into a settlement agreement with Forbes to settle $611,250 of debt through the issuance of 4,701,923 common shares of the Company at a deemed price of $0.13 per common share. The Company incurred share issued costs of $3,556 in connection with the share for debt settlement. These shares were issued on October 11, 2016 upon receiving approval from TSXV. Forbes became a 19% security holder of the Company upon the share issuance for debt.

(Expressed in Canadian dollars)

9. Share-based payments reserves

	Options			Warrants			Total
	Number of options	Weighted average exercise price	Estimated grant date fair value of options	Number of warrants	Weighted average exercise price	Estimated Grant Date Fair Value of warrants	
December 31, 2015	**477,000**	**$ 0.26**	**$ 409,117**	**-**	**$ -**	**$ -**	**$ 409,117**
Granted	1,948,800	0.19	358,189	19,700,288	$ 0.20	$ 1,087,494	**$ 1,445,683**
Expired	(49,000)	2.70	(83,316)	-	-	-	(83,316)
December 31, 2016	**2,376,800**	**$ 0.32**	**$ 683,990**	**19,700,288**	**$ 0.20**	**$ 1,087,494**	**$ 1,771,484**
Expired	(415,000)	0.57	(147,102)	-	-	-	(147,102)
December 31, 2017	**1,961,800**	**$ 0.26**	**$ 536,888**	**19,700,288**	**$ 0.20**	**$ 1,087,494**	**$ 1,624,382**

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed 5 years.

During the year ended December 31, 2017, the Company recorded stock based compensation of $nil (2016 - $358,189) and expired unexercised stock options of $147,102 (2016 - $83,316) to deficit.

The following options were in existence at December 31, 2017:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price ($)	Fair value at grant date ($)	Grant date share price ($)	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
20,000	20,000	22-Feb-2013	22-Feb-2018	1.00	15,889	1.00	111%	5	0	1.40%
233,000	233,000	14-May-2014	14-May-2019	0.70	156,110	0.70	120%	5	0	1.50%
10,000	10,000	03-Jul-2014	03-Jul-2019	0.70	6,700	0.50	120%	5	0	1.52%
1,698,800	1,698,800	11-Oct-2016	11-Oct-2021	0.19	358,189	0.19	190%	5	0	0.76%
1,961,800	1,961,800				536,888					

Fair value of share options granted:

The Company did not grant any stock options during the year ended December 31, 2017. On October 11, 2016, the Company granted 1,948,800 stock options to various directors, officers and consultants of the Company to purchase shares of the Company at $0.19 per option until October 11, 2021. Of the total options granted, 1,583,800 were granted to directors and officers of the Company.

(Expressed in Canadian dollars)

9. Share-based payments reserves (continued)

Options issued by the Company are priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model is adjusted based on managements' best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The expected life of the option is calculated based on the history of option exercises. The weighted average remaining contractual life of the options exercisable at December 31, 2017 was 3.4 years (December 31, 2016 – 4.3 years).

The following warrants were in existence at December 31, 2017:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price ($)	Fair value at grant date ($)	Grant date share price ($)	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
17,084,801	17,084,801	04-Aug-2016	04-Aug-2018	0.20	893,736	0.16	240%	2	0	0.54%
849,987	849,987	04-Aug-2016	04-Aug-2018	0.13	100,660	0.16	240%	2	0	0.54%
1,650,000	1,650,000	17-Aug-2016	17-Aug-2018	0.20	79,847	0.20	221%	2	0	0.57%
115,500	115,500	17-Aug-2016	17-Aug-2018	0.13	13,251	0.20	221%	2	0	0.57%
19,700,288	19,700,288				1,087,494					

10. Related party transactions and balances

During the years ended December 31, 2017 and 2016, the Company entered into the following transactions in the ordinary course of business with related parties from accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services Years ended December 31, 2017	2016
Forbes & Manhattan, Inc.	$ 1,120,000	$ 210,000
QMX Gold Corporation	2,731	22,931

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month (January 2015 to June 2016 - $25,000 per month) is charged by Forbes pursuant to a consulting agreement. In addition, Forbes was paid a bonus of $1,000,000 during the year ended December 31, 2017.

The Company shares its office space with QMX Gold Corporation ("QMX") located in Val-d'Or. During the year ended December 31, 2017, $2,731 was charged by QMX to the Company for rent and consulting expenses (2016 - $22,931). As at December 31, 2017 the Company had a payable balance of $nil (December 31, 2016 - $13,861) with QMX. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment and due on demand. Deborah Battiston, an officer of the Company, is an officer of QMX.

See Notes 3, 8 and 9.

(Expressed in Canadian dollars)

10. Related party transactions and balances (continued)

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the years ended December 31, 2017 and 2016 were as follows:

	Years ended December 31, 2017	2016
Short-term benefits	$ 1,719,000	$ 214,500
Share-based payments	-	291,102

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. See Note 11.

11. Commitments and contingencies

Management contracts

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $3,067,000 to be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $346,000 due within one year.

Environmental

The Company’s exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. (See note 7)

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

(Expressed in Canadian dollars)

12. Financial instruments

Financial assets and financial liabilities as at December 31, 2017 and 2016 were as follows:

December 31, 2017	Loans and receivables	Assets at fair value through profit or loss	Total
Cash and cash equivalents	$ 4,838,783	$ -	$ 4,838,783
Receivables	403,050	-	403,050
Accounts payable and accrued liabilities	(40,520)	-	(40,520)

December 31, 2016	Loans and receivables	Assets at fair value through profit or loss	Total
Cash and cash equivalents	$ 1,205,519	$ -	$ 1,205,519
Held for trading marketable securities	-	78,750	78,750
Receivables	43,621	-	43,621
Accounts payable and accrued liabilities	(131,755)	-	(131,755)

The Company’s risk exposure and the impact on the Company’s financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years ended December 31, 2017 and 2016.

The carrying values of cash, receivable and accounts payable and accrued liabilities reflected on the consolidated statements of financial position approximate fair value due to the limited terms of these instruments.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in receivables consist of receivables from the Canadian government. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had a cash and cash equivalent balance of $4,838,783 (December 31, 2016 – $1,205,519) to settle current liabilities of $40,520 (December 31, 2016 - $131,755). The Company's financial liabilities generally have contractual maturities of less than 30 days.

(a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

12. Financial instruments (continued)

Liquidity risk (continued)

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the year.

- The Company does not hold interest bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- The Company does not hold significant cash balances in foreign currencies to give rise to foreign exchange risk.

(d) Fair value

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the balance sheet. These have been prioritized into three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Inputs for the asset or liability that are not based on observable market data.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

At December 31, 2017, the Company's financial instruments that are carried at fair value, consist of marketable securities of which $nil (December 31, 2016 – $78,750) have been classified as Level 1 within the fair value hierarchy.

(Expressed in Canadian dollars)

13. Management of capital risk

The Company considers its capital structure to consist of its cash and cash equivalents, common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an 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 the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2017 and 2016.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

14. Income taxes

a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2016- 26.5%) were as follows:

	2017	**2016**
	$	**$**
Income/(loss) before income taxes	3,167,908	761,314
Expected income tax recovery based on statutory rate	853,000	(202,000)
Adjustment to expected income tax benefit:		
Stock based compensation	-	95,000
Other	(6,000)	(18,000)
Change in benefit of tax assets not recognized	(847,000)	125,000
Deferred income tax provision (recovery)	-	-

(Expressed in Canadian dollars)

14. Income taxes (continued)

b) Deferred income taxes

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

	2017 $	2016 $
Non-capital loss carry-forwards	7,131,000	7,630,000
Share issue costs	122,000	163,000
Exploration property costs	-	2,572,000
Unrealized losses on marketable securities	-	124,000
Capital loss carry-forwards	5,861,000	5,818,000

The tax losses expire from 2027 to 2036. The other temporary differences do not expire under current legislation.

Year of expiry	Amount $
2027	89,000
2028	777,000
2029	1,038,000
2031	859,000
2032	706,000
2033	611,000
2034	1,633,000
2035	984,000
2036	434,000
	7,131,000

15. Subsequent events

Subsequent to December 31, 2017, 20,000 options with an exercise price of $1.00 expired, unexercised.

See Note 7(b) for a subsequent payment on the Las Morras option.

Management's Discussion and Analysis

For the year ended December 31, 2017

Introduction

The following Management's Discussion and Analysis ("MD&A") of financial results and related data of Copper One Inc. ("Copper One" or the "Company") is intended to complement and supplement the audited consolidated financial statements of Copper One Inc. for the years ended December 31, 2017 and 2016 (the "Financial Statements") and should be read in conjunction with the Financial Statements. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

The commentary is current to April 26, 2018 unless otherwise indicated. References to the 1st, 2nd, 3rd and 4th quarters of 2017 or Q1-2017, Q2-2017, Q3-2017 and Q4-2017, and the 1st, 2nd, 3rd and 4th quarters of 2016 or Q1-2016, Q2-2016, Q3-2016 and Q4-2016 mean the three months ended March 31, June 30, September 30 and December 31, 2017 and 2016 respectively. The reader should be aware that historical results are not necessarily indicative of future performance. The Company is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario. The Company's common shares commenced trading on the TSX Venture Exchange ("TSXV") on November 16, 2009 under the symbol "CUO" and prior to that, traded on the Canadian National Stock Exchange.

Kevin Wells, B.Sc., P. Geo., is a "Qualified Person" as such term is defined under National Instrument 43-101 guidelines, and has reviewed and approved the scientific and technical information in this MD&A.

Cautionary Note Regarding Forward Looking Statements

Except for statements of historical fact relating to Copper One, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; First Nations risks; litigation risks; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Description of Business

Copper One is a Canadian company listed on the TSX Venture Exchange (CUO.V) and is currently evaluating potential opportunities. The Company recently acquired an option to purchase a 100% interest in the Las Morras gold project in the Extremadura region of Spain (see Company Outlook and Recent Developments section below).

Company Outlook and Recent Developments

On November 15, 2017, the Company entered in to a settlement agreement with the Québec Government which facilitated an end to Copper One's participation in the Rivière Doré project. See the Exploration and Evaluation section for details.

On December 21, 2017, the Company completed the assignment of all of the mining claims comprising the Rivière Doré project to SOQUEM and as consideration the Quebec Government paid $8 million in cash to the Company.

The Company plans to refocus its efforts to evaluating potential opportunities and the evaluation of its recently acquired option to purchase a 100% interest in the Las Morras gold project. See Highlights section below for details.

Highlights

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project (the "Project"), located in the Extremadura region of Spain, from Emerita Resources Corp. ("Emerita") pursuant to a binding letter agreement dated November 10, 2017 (the "Agreement") between Copper One and Emerita.

Pursuant to the Agreement, Emerita has granted the Company an option (the "Option") to acquire a 100% interest in the Project. As consideration for the Option, the Company has paid $25,000 in cash and paid an additional $75,000 in cash on January 10, 2018. In order to exercise the Option and acquire a 100% interest in the Project, the Company is required to:

- pay $100,000 in cash to Emerita on or before the date that is 24 months after the execution of the Agreement;
- spend $500,000 on exploration activities on the Project on or before the date that is 24 months after the execution of the Agreement;
- pay $250,000 in cash to Emerita on or before the date that is 36 months after the execution of the Agreement;
- spend $1,500,000 on exploration activities on the Project on or before the date that is 48 months after the execution of the Agreement; and
- grant to Emerita a 2% net smelter returns royalty on the Project.

Emerita will hold the Project in trust for the Company until the Option is exercised and the Project is assigned and transferred to the Company. If the Option is not exercised, Emerita will retain the Project. During the option period, the Company will be the operator of the Project. The underlying permit is valid until January 16, 2019. The Company expects to extend the term through applications.

The transaction is at arm's length and the Company has not paid any finder's fees in connection with the transaction.

On November 15, 2017, the Company entered into a settlement agreement with the Québec Government which facilitated an end to Copper One's participation in the Rivière Doré project. Pursuant to the settlement agreement, on December 21, 2017, the Company assigned all the mining claims comprising the Rivière Doré project to SOQUEM and the Québec Government paid $8 million in cash to Copper One as consideration.

Summarized Financial Results

Selected Annual Financial Information

The table below provides a summary of selected annual financial information for the years ended December 31, 2017, 2016 and 2015:

(Expressed in Canadian dollars $)	December 31, 2017	December 31, 2016	December 31, 2015
Net income (loss) for the year	3,167,908	(761,314)	(1,134,824)
Per share - basic and diluted loss	0.09	(0.04)	(0.17)
Total Assets	5,297,905	2,221,232	952,785
Working Capital [1)]	5,226,052	1,224,100	(1,358,080)

[1)] See Non-GAAP measures.

Selected Quarterly Financial Information

For the three months ended	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
(Expressed in Canadian dollars$)				
Net income (loss)	$ 4,069,140	(261,824)	(309,678)	(329,730)
Income (loss) per share - basic and diluted	0.12	(0.01)	(0.01)	(0.01)
Total assets	5,297,905	1,391,274	1,564,828	1,954,775

For the three months ended	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
(Expressed in Canadian dollars$)				
Net (loss) income	(664,643)	74,971	(91,957)	(79,685)
(Loss) Income per share - basic and diluted	(0.02)	0.00	(0.01)	(0.01)
Total assets	2,221,232	2,492,813	1,017,982	971,836

Liquidity and Capital Resources

The Company does not have any operating assets that generate revenues. The Company recorded net income of $3,167,908 for the year ended December 31, 2017 (December 31, 2016 – net loss of $761,314). Operating activities provided net cash of $3,498,934 (December 31, 2016 – use of cash of $1,066,180).

The Company has a need for financing for working capital. The Company has no revenues and its continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation.

Working Capital

As at December 31, 2017, the Company had a working capital (see Non-GAAP measures) of $5,226,052 (December 31, 2016 – $1,224,100).

Carrying Value of Balance Sheet Items

The Company held investments that included common shares of Cornerstone Metals Inc. As at December 31, 2017, the Company held no common shares recorded at a fair value of $nil (December 31, 2016 - $78,750). This investment was classified as held-for-trading.

Total accounts payable as at December 31, 2017 were $40,520 (December 31, 2016 - $131,755).

Cash Flows

Cash Flows for the three months ended December 31, 2017 and 2016

(Expressed in Canadian dollar $)	For the three months ended December 31,	
	2017	2016
Cash provided by (used in) operating activities	$ 4,406,846	$ (272,809)
Cash (used in) financing activities	-	(7,247)
Cash (used in) investing activities	(25,000)	(10,585)
Change in cash and cash equivalents	$ 4,381,846	$ (290,641)

Cash of $4,406,846 was provided by operating activities during the three months ended December 31, 2017 compared to $272,809 used by operating activities during the three months ended December 31, 2016. Cash provided by operating activities during the three months ended December 31, 2017 was mainly the result of proceeds of a settlement agreement entered into in relation to the Company's Riviere Dore project. Cash used of $7,247 in financing activities in the three months ended December 31, 2016 related to share issue costs. Cash used in investing activities of $25,000 was for an option payment on the Las Morras project compared to a use of cash of $10,585 for equipment purchases during the three months ended December 31, 2016.

Cash Flows for the years ended December 31, 2017 and 2016

(Expressed in Canadian dollar $)	For the year ended December 31,	
	2017	2016
Cash provided by (used in) operating activities	$ 3,498,934	$ (1,066,180)
Cash provided by financing activities	-	2,228,435
Cash provided by (used in) investing activities	134,330	(10,585)
Change in cash and cash equivalents	$ 3,633,264	$ 1,151,670

Cash of $3,498,934 was provided by operating activities during the year ended December 31, 2017 compared to $1,066,180 used by operating activities during the year ended December 31, 2016. Cash provided by operating activities during the three months ended December 31, 2017 was mainly the result of proceeds of a settlement agreement entered into in relation to the Company's Riviere Dore project. Cash provided by financing activities in the year ended December 31, 2016 was from the proceeds of private placement financings, net of issue costs. Cash provided by investing activities in the year ended December 31, 2017 was a result of the sale of shares of Cornerstone Metals Inc. Cash used in investing activities in the prior year was the result of equipment purchases.

Results of Operations

For the three months ended December 31, 2017 and 2016

Operating expenses	For the three months ended December 31, 2017	2016
Management and consulting fees	$ 2,717,824	$ 94,131
Share-based payments	-	358,189
General office and administration expenses	21,133	19,755
Shareholder communications and filing fees	15,562	18,801
Travel and promotion	39,959	-
Accounting and legal	22,540	15,162
Exploration and evaluation expenses	192,628	147,151
Amortization	404	204
Foreign exchange loss	64,482	-
Total operating expenses	3,074,532	653,393
(Loss) before other income (expenses)	(3,074,532)	(653,393)
Other income (expenses)		
Litigation settlement	8,000,000	-
Disposition of exploration and evaluation properties	(854,996)	-
Loss on disposition of property and equipment	(1,806)	-
Unrealized gain on held for trading marketable securities	-	(11,250)
Interest income	474	-
Net income (loss) and comprehensive income (loss) for the period	$ 4,069,140	$ (664,643)

The Company recorded net income and comprehensive income of $4,069,140 during the three months ended December 31, 2017. Net income in the current period was mainly the result of proceeds of a settlement agreement entered into with the government of Quebec. See “Highlights” section for details. The Company also recorded a disposition of exploration and evaluation properties of $854,996 in connection with the settlement. The Company paid bonuses of $2,600,000, included in management and consulting fees, during the three months ended December 31, 2017. The foreign exchange loss for the period was the result of revaluation of working capital items held in US dollars. There was no such loss in the three months ended December 31, 2016.

Exploration and evaluation expenses:

	Three months ended December 31,	
	2017	2016
Consulting	$ -	$ 100,533
Legal	192,468	29,529
Travel & accomodation	-	7,803
Claims & maintenance	-	340
Field office and supplies	160	6,223
Truck rental	-	2,723
Total	$ 192,628	$ 147,151

For the years ended December 31, 2017 and 2016

	For the year ended December 31,	
Operating expenses	2017	2016
Management and consulting fees	$ 3,058,123	$ 281,186
Share-based payments	-	358,189
General office and administration expenses	82,870	36,563
Shareholder communications and filing fees	65,386	48,160
Travel and promotion	39,959	-
Accounting and legal	28,720	27,738
Exploration and evaluation expenses	718,351	115,774
Amortization	2,242	204
Foreign exchange loss	64,482	-
Total operating expenses	4,060,133	867,814
Loss before other income (expenses)	(4,060,133)	(867,814)
Other income (expenses)		
Litigation settlement	8,000,000	-
Disposition of exploration and evaluation properties	(854,996)	-
Gain on debt settlement	-	39,000
Loss on disposition of property and equipment	(1,806)	-
Realized (loss) on held for trading marketable securities	(43,170)	-
Unrealized gain on held for trading marketable securities	123,750	67,500
Interest income	4,263	-
Net income (loss) and comprehensive income (loss) for the year	$ 3,167,908	$ (761,314)

The Company recorded a net income and comprehensive income of $3,167,908 during the year ended December 31, 2017. Net income in the current period was mainly the result of proceeds of a settlement agreement entered into with the government of Quebec. See “Highlights” section for details. The Company also recorded a disposition of exploration and evaluation properties of $854,996 in connection with the settlement. The Company paid bonuses of $2,600,000, included in management and consulting fees, during the year ended December 31, 2017. The foreign exchange loss for the period was the result of revaluation of working capital items held in US dollars. There was no such loss for the year ended December 31, 2016.

Exploration and evaluation expenses (recovery):

	Year ended December 31, 2017	2016
Consulting	$ 106,756	$ 100,533
Government assistance	-	(31,377)
Legal	602,090	29,529
Travel & accomodation	3,301	7,803
Claims & maintenance	-	340
Field office and supplies	4,207	6,223
Truck rental	1,997	2,723
Total	$ 718,351	$ 115,774

Exploration and Evaluation

Rivière Doré

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. (“Cartier”) to acquire 100% of the Rivière Doré Copper Nickel property (“Rivière Doré”) located southeast of the town of Val D’Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company, with an estimated fair value of $550,000, and granted a royalty of 1% of the net smelter return in connection with ore extracted from the Rivière Doré property. The Company also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the Rivière Doré property.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake in relation to the property.

On June 29, 2016, the Company received a written notification from MERN that effective June 28, 2016 all claims under suspension on the Company’s Rivière Doré project had been lifted. The notice also stated that the Company has a right of access to the land under the claims, and has the right to conduct any and all exploration work deemed appropriate. The claims have also been extended by an additional two years.

On November 14, 2016, the Company announced its first drilling program to be conducted on the Rivière Doré property, located 150 kilometres southeast of the prolific mining district of Val d'Or, Quebec. The Company designed an initial 2,000 metre drilling program. The Company submitted its applications for the requisite permits to the appropriate Government of Quebec ministries on October 10, 2016. A contract was awarded to Orbit Garant Drilling Inc. ("Orbit Garant"), based in Val d'Or. The Company hired appropriate qualified personnel to undertake the program and completed all preparations for the program. Preparation included selection of an assay laboratory; protocols for sampling, field operations and environment; selection of contactors for snow clearance, and road and drill site preparation; installation of core racks for long term storage of drilled core; vehicle rentals; and selection of personnel and equipment for construction of a suitable field camp. The planning was based on road access via Route 29E, a gravel road which crosses the project area and which provides access to an extensive network of forestry roads constructed over the last 4 years for forestry activity. The Company also planned and scheduled an alternative approach to the initial plan. The alternative plan would entail helicopter supported drilling and would not require a field camp or any road access to drill locations.

On January 27, 2017, the MERN issued a press release announcing its intention to suspend all the Rivière Doré claims of Copper One in the Lac Barrière area near Val-d'Or, Quebec. MERN's proposed suspension of the Company's claims appeared to be a response to a press conference held by members of the Algonquins of Barrière Lake who denounced the *Mining Act* (Quebec) as illegal and unconstitutional.

On February 6, 2017, the Company commenced mandamus proceedings in the Superior Court of Quebec to force the issuance by the MFFP of a forest management permit to allow for drilling on 11 locations on the Company's Rivière Doré project. The Company expected the MFFP to issue the permit following the end of the consultation period with the Algonquins of Barrière Lake on December 18, 2016. Copper One sought to compel the MFFP to issue the forest management permit because it believed that MERN influenced the MFFP in order to delay or prevent the issuance of such permit.

On February 9, 2017, the Company received a decision from MERN suspending all of Copper One's mining claims related to its Rivière Doré project. MERN based their suspension decision on section 63 of the *Mining Act* (Quebec).

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of the MERN issued on February 8, 2017 to suspend all of Copper One's mining claims related to its Rivière Doré project. Copper One strongly disagreed with MERN's decision to suspend its claims.

On May 1, 2017, the MFFP issued a letter to the Company wherein it announced its intention to deny the Company's forest management permit to allow for drilling on 11 locations on the Company's Rivière Doré project. The Company responded to the letter from the MFFP on May 4, 2017, asking them to reconsider their position.

On November 15, 2017, the Company entered in to a settlement agreement with the Québec Government which facilitated an end to Copper One's participation in the Rivière Doré project.

On December 21, 2017, the Company completed the assignment of all of the mining claims comprising the Rivière Doré project to SOQUEM and as consideration the Quebec Government paid $8 million in cash to the Company.

Las Morras

On November 14, 2017, the Company acquired an option to purchase a 100% interest in the Las Morras gold project, located in the Extremadura region of Spain, from Emerita pursuant to a binding letter agreement dated November 10, 2017 between Copper One and Emerita. See the Highlights section for details.

Financial Commitments and Contractual Obligations

Management commitments

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $3,067,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $346,000 due within one year.

Environmental

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Legal Proceedings

The Company is from time to time named in various legal proceedings. The Company has not estimated or accrued any amounts related to such proceedings as they are believed to be without merit.

Transactions with Related Parties

During the year ended December 31, 2017 and 2016, the Company entered into the following transactions in the ordinary course of business with related parties from an accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services Years ended December 31, 2017	2016
Forbes & Manhattan, Inc.	$ 1,120,000	$ 210,000
QMX Gold Corporation	2,731	22,931

Mr. Stan Bharti is the Executive Chairman of Forbes & Manhattan ("Forbes"). The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month (January 2015 to June 2016 - $25,000 per month) is charged by Forbes pursuant to a consulting agreement. In addition, Forbes was paid a bonus of $1 million during the year ended December 31, 2017.

The Company shares its office space with QMX Gold Corporation ("QMX") located in Val-d'Or. During the year ended December 31, 2017, $2,731 was charged by QMX to the Company for rent and consulting expenses (December 31, 2016 - $22,931). As at December 31, 2017 the Company had a payable balance of $nil (December 31, 2016 - $13,861) with QMX. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment and due on demand. Deborah Battiston, an officer of the Company, is an officer of QMX.

As at December 31, 2016, the Company owned 2,250,000 common shares of Cornerstone Metals Inc. During the year ended December 31, 2017, the Company sold the 2,250,000 shares of Cornerstone for gross proceeds of $161,040. Paul Cowley, a former director of the Company, is a director and officer of Cornerstone Metals Inc.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the years ended December 31, 2017 and 2016 were as follows:

	Years ended December 31, 2017	2016
Short-term benefits	$ 1,719,000	$ 214,500
Share-based payments	-	291,102

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

Corporate Update

On November 14, 2017, Damian Lopez resigned as Corporate Secretary of the Company.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, held for trading investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying values of these financial instruments approximate their fair values due to the short maturity of those instruments.

Outstanding Share Data

As at the date hereof, there were 34,190,109 common shares of the Company outstanding, 19,700,288 warrants outstanding exercisable into 19,700,288 common shares of the Company with a weighted average exercise price of $0.20 per warrant and 1,941,800 stock options outstanding with a weighted average exercise price of $0.25 per option.

Non-GAAP Measures

The MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These non-GAAP measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

Working Capital

Current assets		December 31, 2017		December 31, 2016
Cash and cash equivalents	$	4,838,783	$	1,205,519
Marketable securities		-		78,750
Receivables		403,050		43,621
Prepaid expenses and deposits		24,739		27,965
Total current assets		5,266,572		1,355,855
Current liabilities				
Accounts payable and accrued liabilities	$	40,520	$	131,755
Total liabilities		40,520		131,755
Working capital (current assets less current liabilities)	$	5,226,052	$	1,224,100

Net cash (used in) provided by operating activities

(Expressed in Canadian dollars $)	Three months ended December 31,		Year ended December 31,	
	2017	2016	2017	2016
Cash provided by (used in) operating activities before change in working capital items	$ 4,927,400	$ (545,667)	$ 3,947,426	$ (721,088)
Cash (used in) provided by change in working capital items	(520,554)	272,858	(448,492)	(345,092)
Net cash provided by (used in) operating activities	$ 4,406,846	$ (272,809)	$ 3,498,934	$ (1,066,180)

New and future accounting pronouncements

On January 1, 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included amendments to IAS 7 and IAS 12. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2018 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRIC 23 – Uncertainty over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment or group of tax treatments that it used or plans to use in its income tax filings. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

Critical Judgments and Estimation Uncertainties

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and affect estimates for provisions for reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material. See Note 2 of the Company's Consolidated Financial Statements for years ended December 31, 2017 and 2016 for details.

Risks and Uncertainties

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

While the Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's mining and project development operations.

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of the MERN to suspend all of the Company's mining claims related to its Rivière Doré project. The Company strongly disagreed with MERN's decision to suspend its claims.

On February 6, 2017, the Company commenced mandamus proceedings in the Superior Court of Quebec to force the issuance by the MFFP of a forest management permit to allow for drilling on 11 locations on the Rivière Doré project. Copper One sought to compel the MFFP to issue the forest management permit because it believed that MERN influenced the MFFP in order to delay or prevent the issuance of such permit.

On November 15, 2017, the Company entered into a settlement agreement with the Quebec Government which facilitated an end to the Company's participation in the Rivière Doré project. The transaction closed on December 15, 2017. The Algonquins of Barrière Lake have denounced the *Mining Act* (Quebec) as illegal and unconstitutional and the Company understands that the Algonquins of Barrière Lake propose to continue to challenge any activity and transactions related to the Rivière Doré project.

First Nations

First Nations in the Province of Quebec are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands. In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining at its projects and could result in costs and delays or materially restrict the Company's activities. Mining licenses and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's property interests may be located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date, the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Mineral Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of copper and nickel. Copper and nickel prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of copper and nickel and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of copper and nickel have fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a materially adverse effect on the Company's business, financial condition and result of operations.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase projected costs.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Current Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Subsequent event

See the Highlights section for a subsequent payment on the Las Morras option.

Additional Information

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.

Copper One Inc.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended
December 31, 2016 and 2015

(in Canadian dollars)

UHY McGovern Hurley LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Copper One Inc.

We have audited the accompanying consolidated financial statements of Copper One Inc. and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Copper One Inc. and its subsidiary as at December 31, 2016 and 2015, and their financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 1 and 7(a) in the consolidated financial statements which describe that the Riviere Dore property claims in Quebec have been suspended. These conditions indicate the existence of a material uncertainty.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 21, 2017

Copper One Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at

	Note	December 31, 2016	December 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents		$ 1,205,519	$ 53,849
Marketable securities	3	78,750	11,250
Receivables	4	43,621	31,306
Prepaid expenses	5	27,965	1,384
Total current assets		$ 1,355,855	97,789
Non-current assets			
Property and equipment	6	10,381	-
Exploration and evaluation assets	7	854,996	854,996
TOTAL ASSETS		$ 2,221,232	$ 952,785
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 131,755	$ 1,455,869
Total liabilities		$ 131,755	1,455,869
Shareholders' Equity (Deficiency)			
Share capital	8	18,922,990	17,014,798
Share-based payments reserves	9	1,771,484	409,117
Deficit		(18,604,997)	(17,926,999)
Total shareholders' equity (deficiency)		$ 2,089,477	(503,084)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		$ 2,221,232	$ 952,785

Nature of operations and going concern	1
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Approved on behalf of the Directors:

"Scott Moore" — Director

"Paul Pint " — Director

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

Copper One Inc.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

		For the Years ended December 31,	
	Note	2016	2015
Operating expenses			
Management and consulting fees	11	$ 469,519	$ 637,954
Share-based payments	9	358,189	3,090
Directors' fees (reversal)		(188,333)	143,333
Office and rent		36,346	83,737
Investor relations		30,967	50,525
Travel and promotion		853	6,067
Accounting and legal		27,738	20,815
Regulatory and transfer agent		17,193	16,611
Exploration and evaluation expenses	10	115,774	7,500
Amortization	6	204	-
Bad debt		-	19,599
Foreign exchange (gain)	.	(636)	(224)
Total operating expenses		$ 867,814	$ 989,007
Loss before other income (expenses)		(867,814)	(989,007)
Other income (expenses)			
Gain on debt settlement	8	39,000	-
Impairment of exploration and evaluation properties	7	-	(135,729)
Unrealized gain (loss) on held for trading marketable securities	3	67,500	(11,250)
Interest income		-	1,162
Net (loss) and comprehensive (loss) for the year		$ (761,314)	$ (1,134,824)
(Loss) per share			
Basic and diluted		$ (0.04)	$ (0.17)
Weighted average number of shares outstanding:			
Basic and diluted		19,319,854	6,853,385

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

Copper One Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	For the Years ended December 31, 2016	2015
Cash provided by (used in) operations:			
Loss for the year		$ (761,314)	$ (1,134,824)
Items not involving cash:			
Share-based payments	9	358,189	3,090
Amortization	6	204	
Unrealized (gain) loss on held for trading marketable securities	3	(67,500)	11,250
Write-down of exploration and evaluation property	7	-	135,729
Gain on debt settlement		(39,000)	-
Director fees reversal		(211,667)	-
Change in working capital items:			
Receivables		(12,315)	22,528
Prepaid expenses and deposits		(26,581)	4,091
Accounts payable and accrued liabilities		(306,196)	788,991
Net cash (used in) operating activities		(1,066,180)	(169,145)
Investing activities			
Expenditures on property and equipment	6	(10,585)	-
Net cash (used in) investing activities		(10,585)	-
Financing activities			
Proceeds from issuance of shares		2,435,524	-
Share issue costs		(207,089)	-
Net cash provided by financing activities		2,228,435	-
Change in cash and cash equivalents		1,151,670	(169,145)
Cash and cash equivalents, beginning of year		53,849	222,994
Cash and cash equivalents, end of year		$ 1,205,519	$ 53,849
Cash and cash equivalents are comprised of:			
Cash in bank		$ 1,195,519	$ 11,451
Cashable guaranteed investment certificates		10,000	-
Supplemental information:			
Common shares issued for debt	8	$ 767,250	$ -

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

Copper One Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of Shares (Note 8)	Share Capital	Share-based payments: Options	Share-based payments: Warrants	Share-based payments reserve (Note 9)	Deficit	Total
Balance, December 31, 2014	6,853,385	$17,014,798	$ 449,571	$ -	$ 449,571	$(16,835,719)	$ 628,650
Share-based payments	-	-	3,090	-	3,090	-	3,090
Expiry of options	-	-	(43,544)	-	(43,544)	43,544	-
Net loss for the year	-	-	-	-	-	(1,134,824)	(1,134,824)
Balance, December 31, 2015	**6,853,385**	**$17,014,798**	**$ 409,117**	**$ -**	**$ 409,117**	**$(17,926,999)**	**$ (503,084)**
Share-based payments	-	-	358,189	-	$ 358,189	-	358,189
Expiry of options	-	-	(83,316)	-	(83,316)	83,316	-
Shares issued for debt settlement	8,601,923	767,250	-	-	-	-	767,250
Units issued through private placement	18,734,801	2,435,524	-	-	-	-	2,435,524
Fair value on warrant allocation	-	(1,119,374)	-	1,119,374	1,119,374	-	-
Broker warrants issued	-	-	-	113,911	113,911	-	113,911
Costs of Issue	-	(175,208)	-	(145,791)	(145,791)	-	(320,999)
Net loss for the year	-	-	-	-	-	(761,314)	(761,314)
Balance, December 31, 2016	**34,190,109**	**$18,922,990**	**$ 683,990**	**$ 1,087,494**	**$ 1,771,484**	**$(18,604,997)**	**$ 2,089,477**

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

1. Nature of operations and going concern

Copper One Inc. (the “Company”) operates under the Canada Business Corporations Act. The Company’s wholly owned subsidiary 7231300 Canada Ltd. was incorporated on August 26, 2009. The Company’s common shares trade on the TSX Venture Exchange under the symbol “CUO”.

The Company is in the process of exploring and evaluating mineral property interests in Quebec, Canada. The Company has not yet determined whether its exploration and evaluation assets contain mineral reserves that are economically recoverable. The Company’s continuing operations, and the recoverability of the amounts shown for exploration and evaluation assets are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its exploration and evaluation assets, and on future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company’s exploration and evaluation assets have been suspended (see Note 7(a)). While the Company is appealing the suspension, it is not possible to predict whether the suspension will be lifted. These conditions indicate the existence of material uncertainty. If the suspension is not resolved, the carrying value of the exploration and evaluation assets may be impaired.

The consolidated financial statements of the Company for the year ended December 31, 2016 were reviewed, approved and authorized for issue by the Board of Directors on April 21, 2017.

The Company has an accumulated deficit of $18,604,997, a working capital of $1,224,100 as at December 31, 2016 and has incurred losses totaling $761,314 during 2016. The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Continued support of shareholders and the ability to raise funds through the issuance of equity or debt will be required. See Note 8.

The head office and principal address of the Company is at Suite 805, 65 Queen Street West, Toronto, Ontario M5H 2M5.

2. Significant accounting policies

Statement of compliance

These consolidated financial statements of the Company and its subsidiary have been prepared in accordance International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations. The policies set out The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

2. Significant accounting policies (continued)

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 7231300 Canada Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation.

Subsidiaries
Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Critical accounting judgments and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Impairment of exploration and evaluation assets
While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

2. Significant accounting policies (continued)

Critical accounting judgments and estimation uncertainties (continued)

Estimation of decommissioning and restoration costs and the timing of expenditure
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
See Note 12.

Functional currency

The Company's functional and presentation currency is the Canadian dollars ("$"). Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

2. Significant accounting policies (continued)

Functional currency (continued)

Exchange differences are recognised in profit or loss in the period in which they arise except for:
- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Foreign exchange gains and losses are presented in the consolidated statement of operations.

Share-based payments and warrants

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

On exercise, the value originally recorded in reserves is recorded to share capital with proceeds received. For those options and warrants that expire after vesting, the recorded value is transferred from reserves to deficit.

Property and equipment

Property and equipment is comprised of computer hardware and leasehold improvements, which are recorded at cost less accumulated depreciation. The cost of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location, and condition necessary for its intended use. At each reporting period, the Company evaluates the estimated useful life of its property and equipment and changes in circumstances indicating that the carrying value may not be recoverable.

Computer software is depreciated on a straight-line basis over its estimated useful life of 3 years.

Mining equipment are depreciated on a straight-line basis over its estimated useful life of 5 years.

Property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

2. Significant accounting policies (continued)

Exploration and evaluation assets

Exploration expenditure relates to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

The cost of exploration properties, which include the cost of acquiring prospective properties and exploration rights are capitalized to exploration and evaluation assets. Exploration costs incurred, subsequent to acquisition, in exploration and evaluation activities, are expensed as incurred and included in the consolidated statement of loss until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mineral properties.

Prior to capitalization to mineral properties, exploration and evaluation assets acquisition costs are first tested for impairment and any impairment loss recognized immediately in the consolidated statements of loss.

Mining tax credits

Mining tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with all conditions related to obtain the credits. These refundable mining tax credits are earned in respect to exploration costs incurred in Quebec and are recorded as a reduction to exploration and evaluation expenses.

Provisions

I. General

Provisions are recognised when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

II. Decommissioning and restoration provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred.

The obligation generally arises when an asset is installed or the ground / environment is disturbed at the property location. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. As at December 31, 2016 and 2015, the Company had no material decommissioning and restoration provisions.

2. Significant accounting policies (continued)

(Loss) per share

Basic (loss) per share is computed by dividing net (loss) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

Taxation

I. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

II. Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss.

2. Significant accounting policies (continued)

Taxation (continued)

II. Deferred income tax (continued)

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Flow-through instruments

Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures could be claimed by the investors rather than the company.

A flow-through instrument comprises transfer of tax deductions and common shares. Proceeds from an issuance of a flow-through instrument are allocated to liability and equity components in proportion, according to their respective fair values at the date of issuance. Upon renunciation of the flow-through expenditures for Canadian income tax purposes, the related flow-through liability recognized in previous periods in the consolidated statement of financial position will be reversed and recorded as a component of other income (expense).

The Company has indemnified the subscribers of its flow-through share offerings against any tax related amounts that may become payable if the Company fails to meet its flow-through expenditure obligations.

Financial instruments – recognition and measurement

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables, at fair value through profit or loss (“FVTPL”), or as other financial liabilities not at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value but through profit or loss are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

a) Cash and cash equivalents, and receivables have been classified as loans and receivables.

b) Marketable securities are classified at FVTPL.

c) Accounts payables and accrued liabilities have been classified as financial liabilities not at fair value through profit or loss.

2. Significant accounting policies (continued)

Impairment of financial assets

The Company makes an assessment at the end of each reporting period whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade and other receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

De-recognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

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

2. Significant accounting policies (continued)

Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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, however the increased carrying amount cannot 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and a $10,000 GIC deposit as security for the Company's corporate credit card.

New and future accounting pronouncements

During 2016, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS7, IAS1 and IAS38. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2017 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

New and future accounting pronouncements (continued)

Accounting pronouncements not yet adopted (continued)

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

3. Marketable securities

On August 22, 2013, the Company received 2,250,000 common shares of Cornerstone Metal Inc. At December 31, 2016, the quoted market value of these shares was $78,750 (December 31, 2015 - $11,250). An unrealized gain of $67,500 was recorded for the year ended December 31, 2016 (December 31, 2015: loss of $11,250).

Paul Cowley, a former director of the Company, is a director and officer of Cornerstone Metal Inc.

4. Receivables

	December 31, 2016	December 31, 2015
Taxes receivable	$ 43,621	$ 31,306
	$ 43,621	$ 31,306

(Expressed in Canadian dollars)

5. Prepaid expenses

	December 31, 2016	December 31, 2015
Prepaid insurance	$ 22,939	$ 1,384
Prepaid expenses	5,026	-
	$ 27,965	$ 1,384

6. Property and equipment

	Mining Equipment	Computer Software	Total
Net book value - December 31, 2014 & 2015	$ -	$ -	$ -
Acquisition	8,085	2,500	10,585
Accumulated amortization	(135)	(69)	(204)
Net book value - December 31, 2016	$ 7,950	$ 2,431	$ 10,381

7. Exploration and evaluation assets

The exploration and evaluation assets of the Company are comprised as follows:

	Rivière Doré	Queylus	Total
	$	$	$
Balance, December 31, 2014	854,996	135,729	990,725
Impairment (b)	-	(135,729)	(135,729)
Balance, December 31, 2015 and 2016	854,996	-	854,996

(a) Rivière Doré

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. (“Cartier”) to acquire 100% of the Rivière Doré Copper Nickel property (“Rivière Doré”) located southeast of the town Val D’Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company with an estimated fair value of $550,000 and granted a royalty of 1% of the net smelter return in connection with ore extracted from the Rivière Doré property. The Company is also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the Rivière Doré property.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake in relation to the property.

On June 29, 2016, the Company announced that it has received a written notification from the Quebec Ministry of Energy and Natural Resources (“MERN”) that effective June 28, 2016 all claims under suspension on the Company’s Rivière Doré project had been lifted.

7. Exploration and evaluation assets (continued)

On February 9, 2017, the Company received notification from MERN suspending all the Company's mining claims related to its Rivière Doré Project.

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of MERN to suspend all mining claims related to its Rivière Doré Project. The Company strongly disagrees with MERN's decision to suspend its claims and will continue to exercise its legal rights.

(b) Queylus

On January 23, 2012, the Company entered into an agreement with Lounor Exploration Inc. ("Lounor") to acquire 100% of the Queylus copper gold property, located near the town of Chibougamau, Quebec. Under the terms of the purchase agreement, the Company acquired 100% of the Queylus property by paying $23,750, issuing 475,000 common shares of the Company valued at $61,750 and granting royalties ranging from 1% to 2% of the net smelter return in connection with ore extracted from certain claims comprising the property. In connection with the transactions contemplated under the purchase agreement, the Company entered into an agreement with SOQUEM Inc. ("SOQUEM") whereby SOQUEM agreed to renounce its right of first refusal over certain claims comprising the Queylus property in consideration for the Company paying $2,500 and issuing to SOQUEM 50,000 shares of the Company valued at $6,500. This transaction closed on August 7, 2012.

On February 8, 2012, the Company signed a purchase agreement with Diagnos Inc. ("Diagnos") to acquire a 100% interest in certain claims (the "Claims") contiguous to the Queylus copper gold property. Under the terms of the purchase agreement, the Company has acquired 100% of the Claims by paying $10,000, issuing 175,000 common shares of the Company valued at $52,500 and granting a royalty of 2% of the net smelter return in connection with ores and concentrates extracted from the property underlying the Claims. The purchase agreement provides that the Company has the right to reduce such royalty from 2% to 1% at any time by paying to Diagnos $1,000,000 in cash.

The Company has allowed the Queylus claims to lapse. As at December 31, 2015, the Company wrote off $135,729 related to the carrying value of Lounor claim.

8. Share Capital

Preferred Shares

Authorized: unlimited, without par value
Issued and outstanding: nil preferred shares

Common Shares

Authorized: unlimited, without par value
Issued and outstanding:

Effective October 23, 2015, the Company consolidated its common shares on the basis of one new common share for every ten common shares outstanding. All references to common shares, per share amounts, warrants and options for all periods presented have been retroactively restated to reflect this consolidation.

(Expressed in Canadian dollars)

8. Share Capital (continued)

	Number of Shares		Amount
Balance, December 31, 2014 and 2015	**6,853,385**	**$**	**17,014,798**
Shares issued for debt settlement	8,601,923	$	767,250
Shares issued through private placement	18,734,801		2,435,524
Fair value of warrants allocation			(1,119,374)
Share issued costs			(175,208)
Balance, December 31, 2016	**34,190,109**	**$**	**18,922,990**

On January 11, 2016, the Company entered into a shares for debt agreement with Forbes & Manhattan, Inc. ("Forbes") and 2227929 Ontario Inc. ("2227929") wherein $195,000 worth of debt was settled through the issuance of 3,900,000 common shares at a deemed price per share of $0.05. The fair value market value of shares issued in the settlement of debts was $156,000 based on the share price of the Company on the date the debt was settled. As a result, a gain of $39,000 was recorded on the settlement of debt (2015: $Nil).

On August 4, 2016, the Company closed a brokered private placement offering of 17,084,801 units for aggregate gross proceeds of $2,221,024. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at $0.20 until August 4, 2018. In connection with the offering, the Company paid a cash fee of 7% of the proceeds from certain subscribers and issued 849,987 broker options. Each broker option is exercisable at a price of $0.13 into one common share of the Company and one warrant until August 4, 2018. Each whole broker warrant entitles the holder to acquire one additional common share of the Company at a price of $0.20 until August 4, 2018. The issue date fair value of the warrants and broker options were estimated at $1,023,336 and $100,660, respectively using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 240%; risk-free interest rate of 0.54% and an expected life of 2 years. The Company incurred share issued costs of $151,681 and warrant issued costs of $129,600 in connection with the offering.

On August 17, 2016, the Company closed the second tranche of a brokered private placement offering of 1,650,000 units for aggregate gross proceeds of $214,500. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at $0.20 until August 17, 2018. In connection with the offering, the Company paid a cash fee of 7% of the proceeds from certain subscribers and issued 115,500 broker options. Each broker option is exercisable at a price of $0.13 into one common share of the Company and one warrant until August 17, 2018. Each whole broker warrant entitles the holder to acquire one additional common share of the Company at a price of $0.20 until August 17, 2018. The issue date fair value of the warrants and broker options were estimated at $96,038 and $13,251, respectively using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 220%; risk-free interest rate of 0.57% and an expected life of 2 years. The Company incurred share issued costs of $19,971 and warrant issued costs of $16,191 in connection with the offering.

Officers and directors of the Company (or entities controlled by them) subscribed for an aggregate of 3,172,308 units through the private placement financing.

A corporation with directors and officers in common with the Company subscribed for 846,154 units and 2227929 Ontario Inc. subscribed for 1,030,969 units.

(Expressed in Canadian dollars)

8. Share Capital (continued)

On August 19, 2016, the Company entered into a settlement agreement with Forbes to settle $611,250 of debt through the issuance of 4,701,923 common shares of the Company at a deemed price of $0.13 per common share. The Company incurred shared issued costs of $3,556 in connection with the share for debt settlement. These shares were issued on October 11, 2016 upon receiving approval from TSXV. Forbes became a 19% security holder of the Company upon the share issuance for debt.

9. Share-based payments reserve

	Options			Warrants			Total
	Number of options	Weighted average exercise price	Estimated grant date fair value of options	Number of warrants	Weighted average exercise price	Estimated Grant Date Fair Value of warrants	
December 31, 2014	522,000	$ 1.10	449,571	-	$ -	$ -	$ 449,571
Vested	-	1.00	3,090	-	-	-	3,090
Expired	(45,000)	1.32	(43,544)	-	-	-	(43,544)
December 31, 2015	477,000	$ 0.32	$ 409,117	-	$ -	$ -	$ 409,117
Granted	1,948,800	0.19	358,189	19,700,288	$ 0.20	$ 1,087,494	$ 1,445,683
Expired	(49,000)	2.70	(83,316)	-	-	-	(83,316)
December 31, 2016	2,376,800	$ 0.32	$ 683,990	19,700,288	$ 0.20	$ 1,087,494	$ 1,771,484

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed 5 years.

During the year ended December 31, 2016, the Company recorded stock based compensation of $358,189 (2015 - $3,090) and expired unexercised stock options of $83,316 (2015 - $45,544) to deficit.

The following options were in existence at December 31, 2016:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
25,000	25,000	06-Feb-2012	06-Feb-2017	3.50	51,434	3.00	92%	5	0	1.52%
35,000	35,000	22-Feb-2013	22-Feb-2018	1.00	27,807	1.00	111%	5	0	1.40%
358,000	358,000	14-May-2014	14-May-2019	0.70	239,860	0.70	120%	5	0	1.50%
10,000	10,000	03-Jul-2014	03-Jul-2019	0.70	6,700	0.50	120%	5	0	1.52%
1,948,800	1,948,800	11-Oct-2016	11-Oct-2021	0.19	358,189	0.19	190%	5	0	0.76%
2,376,800	2,376,800				683,990					

(Expressed in Canadian dollars)

9. Share-based payments reserve (continued)

Fair value of share options granted:

On October 11, 2016, the Company granted 1,948,800 stock options to various directors, officers and consultants of the Company to purchase shares of the Company at $0.19 per option until October 11, 2021. Of the total options granted, 1,583,800 were granted to directors and officers of the Company.

Options issued by the Company are priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model is adjusted based on managements' best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The expected life of the option is calculated based on the history of option exercises. The weighted average remaining contractual life of the options exercisable at December 31, 2016 was 4.3 years (2015 – 2.96 years).

The following warrants were in existence at December 31, 2016:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Grant date share price	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
17,084,801	17,084,801	04-Aug-2016	04-Aug-2018	0.20	893,736	0.16	240%	2	0	0.54%
849,987	849,987	04-Aug-2016	04-Aug-2018	0.13	100,660	0.16	240%	2	0	0.54%
1,650,000	1,650,000	17-Aug-2016	17-Aug-2018	0.20	79,847	0.20	221%	2	0	0.57%
115,500	115,500	17-Aug-2016	17-Aug-2018	0.13	13,251	0.20	221%	2	0	0.57%
19,700,288	19,700,288				1,087,494					

10. Exploration and evaluation expenses

	Year ended December 31, 2016	2015
	$	$
Consulting	100,533	7,500
Government assistance	(31,377)	-
Legal	29,529	-
Travel & accomodation	7,803	-
Claims & maintenance	340	-
Field office and supplies	6,223	-
Truck rental	2,723	-
Total	115,774	7,500

11. Related party transactions and balances

During the twelve months ended December 31, 2016 and 2015, the Company entered into the following transactions in the ordinary course of business with related parties from accounting perspective that are not subsidiaries of the Company.

(Expressed in Canadian dollars)

11. Related party transactions and balances (continued)

	Purchase of goods and services Years ended December 31, 2016	2015
Forbes & Manhattan, Inc.	$ 210,000	$ 300,000
QMX Gold Corporation	22,931	-

Mr. Stan Bharti is the Executive Chairman of Forbes. The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month (January 2015 to June 2016 - $25,000 per month) is charged by Forbes pursuant to a consulting agreement. As at December 31, 2016, the Company had a payable balance of $Nil (December 31, 2015 - $536,750) with Forbes. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment and due on demand.

The Company shares its office space with QMX Gold Corporation ("QMX") located in Val-d'Or. During the year-ended December 31, 2016, $22,931 was charged by QMX to the Company for rent and consulting expenses (2015 - $Nil). As at December 31, 2016 the Company had a payable balance of $13,861 (December 31, 2015 - $Nil) with QMX. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment and due on demand. Deborah Battiston, an officer of the Company, is an officer of QMX.

The Company shares its office space with other companies who may have officers or directors in common. The costs associated with this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc., to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

See Notes 3, 8 and 9.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the year ended December 31, 2016 and 2015 were as follows:

	Years ended December 31, 2016	2015
Short-term benefits	$ 214,500	$ 353,333
Share-based payments	291,102	3,090

At December 31, 2016, the Company had $nil (December 31, 2015 - $454,458) owing to its current and former key management, directors and officers. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment or due on demand.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. See Note 12.

(Expressed in Canadian dollars)

12. Commitments and contingencies

Contractual Obligations	Payments (Receipts) Due by Period		
	Total	Less than 1 Year	1 – 3 Years
Minimum commitment under management contracts (i)	$ 251,000	$ 251,000	$ -
Total	**$251,000**	**$251,000**	**$0**

(i) The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $807,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $251,000 due within one year.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. (See note 7)

13. Financial instruments

Financial assets and financial liabilities as at December 31, 2016 and 2015 were as follows:

	Loans and receivables	Assets at fair value through profit or loss	Total
December 31, 2016			
Cash and cash equivalents	$ 1,205,519	$ -	$ 1,205,519
Held for trading marketable securities	-	78,750	78,750
Accounts payable and accrued liabilities	(131,755)	-	(131,755)
December 31, 2015			
Cash and cash equivalents	$ 53,849	$ -	$ 53,849
Held for trading marketable securities	-	11,250	11,250
Accounts payable and accrued liabilities	(1,455,869)	-	(1,455,869)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years ended December 31, 2016 and 2015.

The carrying values of cash, receivable and accounts payable and accrued liabilities reflected on the consolidated statements of financial position approximate fair value due to the limited terms of these instruments.

13. Financial instruments (continued)

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in receivables consist of receivables from related and unrelated companies. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had a cash and cash equivalent balance of $1,205,519 (December 31, 2015 – $53,849) to settle current liabilities of $131,755 (December 31, 2015 - $1,455,869). The Company's financial liabilities generally have contractual maturities of less than 30 days.

(a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company’s future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company’s control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments.

Sensitivity analysis

Based on management’s knowledge and experience of the financial markets, the Company believes the following movements are “reasonably possible” over the year.

- The Company does not hold interest bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- The Company does not hold significant cash balances in foreign currencies to give rise to foreign exchange risk.

13. Financial instruments (continued)

Liquidity risk (continued)

(d) Fair value

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the balance sheet. These have been prioritized into three levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Inputs for the asset or liability that are not based on observable market data.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

At December 31, 2016, the Company's financial instruments that are carried at fair value, consist of marketable securities of which $78,750 (December 31, 2015 – $11,250) have been classified as Level 1 within the fair value hierarchy.

14. Management of capital risk

The Company considers its capital structure to consist of its cash and cash equivalents, common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an 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 the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2016 and 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

15. Income taxes

a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2015- 26.5%) were as follows:

(Expressed in Canadian dollars)

15. Income taxes (continued)

a) Provision for income taxes (continued)

	2016 $	2015 $
(Loss) before income taxes	(761,314)	(1,134,824)
Expected income tax recovery based on statutory rate	(202,000)	(301,000)
Adjustment to expected income tax benefit:		
Share-based payments	95,000	1,000
Expenses not deductible for tax purposes	(18,000)	2,000
Change in benefit of tax assets not recognized	125,000	298,000
Deferred income tax provision (recovery)	-	-

b) Deferred income taxes

	2016 $	2015 $
Unrecognized deductible temporary differences		
Non-capital loss carry-forwards	7,630,000	7,197,000
Share issue costs	163,000	-
Exploration property costs	2,572,000	2,456,000
Unrealized losses on marketable securities	124,000	181,000
Capital loss carry-forwards	5,818,000	5,818,000

The tax losses expire from 2025 to 2036. The other temporary differences do not expire under current legislation.

Year of expiry	Amount $
2025	118,000
2026	116,000
2027	354,000
2028	777,000
2029	1,038,000
2031	859,000
2032	706,000
2033	611,000
2034	1,633,000
2035	984,000
2036	434,000
	7,630,000

16. Subsequent events

Subsequent to December 31, 2016, 25,000 options with an exercise price of $3.50 expired unexercised.

See Note 7.

Copper One Inc.

(An Exploration Stage Company)

Management's Discussion and Analysis

Year ended December 31, 2016

Introduction

The following Management's Discussion and Analysis ("MD&A") of financial results and related data of Copper One Inc. ("Copper One" or the "Company") is intended to complement and supplement the audited Consolidated Financial Statements of Copper One. for the years ended December 31, 2016 and 2015 (the "Financial Statements") and should be read in conjunction with the Financial Statements. The Company's Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

The commentary is current to April 21, 2017 unless otherwise indicated. References to the 1st, 2nd, 3rd and 4th quarters of 2016 or Q1-2016, Q2-2016, Q3-2016 and Q4-2016, and the 1st, 2nd, 3rd and 4th quarters of 2015 or Q1-2015, Q2-2015, Q3-2015 and Q4-2015 mean the three months ended March 31, June 30, September 30 and December 31, 2016 and 2015 respectively. The reader should be aware that historical results are not necessarily indicative of future performance. The Company is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario. The Company's common shares commenced trading on the TSX Venture Exchange ("TSXV") on November 16, 2009 under the symbol "CUO" and prior to that, traded on the Canadian National Stock Exchange.

Kevin Wells, B.Sc., P. Geo., is a "Qualified Person" as such term is defined under National Instrument 43-101 guidelines, and has reviewed and approved the scientific and technical information in this MD&A.

Cautionary Note Regarding Forward Looking Statements

Except for statements of historical fact relating to Copper One, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of exploration costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; First Nations risks; litigation risks; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Description of Business

The Company is in the process of exploring and evaluating mineral property interests in Quebec, Canada. The Company owns 100% of the 60,000 hectare project area referred to as the Rivière Doré property, which covers an 85 kilometer long newly discovered layered mafic intrusive complex located southeast of the town of Val-d'Or, Quebec.

Company Outlook and Recent Developments

The management of Copper One is focused on the development of its primary assets in the Province of Quebec, namely its flagship project, the Rivière Dore project.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake in relation to the property.

On June 29, 2016, the Company announced that it had received a written notification from the Quebec Ministry of Energy and Natural Resources ("MERN") that all claims under suspension on the Company's Rivière Doré project had been lifted. The notice also stated that pursuant to the claims, the Company had a right of access to the land under the claims, had the right to conduct any and all exploration work deemed appropriate, and all the claims had been extended by an additional two years.

On November 14, 2016, the Company announced its first drilling program to be conducted on its 100%-owned copper-rich Rivière Doré property, located 150 kilometres southeast of the prolific mining district of Val d'Or, Quebec. The Company designed an initial 2,000 metre drilling program. The Company submitted its applications for the requisite permits to the appropriate Government of Quebec ministries on October 10, 2016. A contract was awarded to Orbit Garant Drilling Inc. ("Orbit Garant"), based in Val d'Or. The Company has hired appropriate qualified personnel to undertake the program and completed all preparations for the program. Preparation includes selection of an assay laboratory; protocols for sampling, field operations and environment; selection of contactors for snow clearance, and road and drill site preparation; installation of core racks for long term storage of drilled core; vehicle rentals; and selection of personnel and equipment for construction of a suitable field camp. The planning was based on road access via Route 29E, a gravel road which crosses the project area and which provides access to an extensive network of forestry roads constructed over the last 4 years for forestry activity. The Company has also planned and scheduled an alternative approach to the initial plan. The alternative plan would entail helicopter supported drilling and would not require a field camp or any road access to drill locations. Either of these approaches are fully budgeted and financed.

On January 27, 2017, MERN issued a press release announcing its intention to suspend all the Rivière Doré claims of Copper One in the Lac Barrière area near Val-d'Or, Quebec. MERN's proposed suspension of the Company's claims appears to be a response to a press conference held by members of the Algonquins of Barrière Lake who denounced the *Mining Act* (Quebec) as illegal and unconstitutional.

On February 9, 2017, the Company received notification from MERN suspending all the Company's mining claims related to its Rivière Doré Project. MERN is basing their suspension decision on section 63 of the *Mining Act* (Quebec).

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of MERN to suspend all of the Company's mining claims related to its Rivière Doré Project. The Company strongly disagrees with MERN's decision to suspend its claims and will continue to exercise its legal rights.

Highlights

On January 11, 2016, the Company completed a shares for debt settlement with various creditors and issued 3,900,000 common shares at a deemed price of $0.05 per common share and extinguished $195,000 in debt owed to such creditors.

On August 4, 2016, the Company closed the first tranche of a brokered private placement financing comprising 17,084,801 units at a price of $0.13 per unit for gross proceeds of $2,221,024 (the "First Tranche"). Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of $0.20 per share for a period of 24 months from the date of closing of the First Tranche. In connection with the First Tranche, the Company paid Delano Capital Corp. (the "Agent"), the agent for the First Tranche, a cash amount equal to 7% of the gross proceeds from certain subscribers of the First Tranche and issued 849,987 compensation options (the "Broker Options") to the Agent. Each Broker Option is exercisable at a price of $0.13 into one common share of the Company and one warrant (a "Broker Warrant") for a period of 24 months following the closing date of the First Tranche. Each Broker Warrant entitles the holder to acquire one additional common share of the Company at a price of $0.20 for a period of 24 months following the closing date of the First Tranche. Directors and officers of the Company subscribed to 3,172,308 units of the First Tranche.

On August 17, 2016, the Company closed the second tranche of a brokered private placement financing comprising 1,650,000 units at a price of $0.13 per unit for gross proceeds of $214,500 (the "Second Tranche"). Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of $0.20 per share for a period of 24 months from the date of closing of the Second Tranche. In connection with the Second Tranche, the Company paid the Agent an amount equal to 7% of the proceeds from certain subscribers of the Second Tranche and issued 115,500 Broker Options. Each Broker Option is exercisable at a price of $0.13 into one common share of the Company and one Broker Warrant for a period of 24 months following the closing date of the Second Tranche. Each whole Broker Warrant entitles the holder to acquire one additional common share of the Company at a price of $0.20 for a period of 24 months following the closing date of the Second Tranche.

On August 19, 2016, the Company entered into a settlement agreement with a creditor to settle an aggregate of $611,250 of debt in consideration for the issuance of an aggregate of 4,701,923 common shares of the Company at a deemed price of $0.13 per common share (the "Shares for Debt Settlement"). The Shares for Debt Settlement received approval from TSXV and the shares were issued on October 11, 2016.

Summarized Financial Results

Selected Annual Financial Information

The table below provides a summary of selected annual financial information for the years ended December 31, 2016, 2015 and 2014:

(Expressed in Canadian dollars $)	December 31, 2016	December 31, 2015	December 31, 2014
Net (loss) from continuing operations	(761,314)	(1,134,824)	(2,039,175)
Net (loss) for the year	(761,314)	(1,134,824)	(2,039,175)
Per share - basic and diluted loss	(0.04)	(0.17)	(0.30)
Total Assets	2,221,232	952,785	1,295,528
Working Capital [1)]	1,224,100	(1,358,080)	(362,075)

[1)] See Non-GAAP measures.

Selected Quarterly Financial Information

Expressed in Canadian dollars$	31-Dec-16	30-Sep-16	30-Jun-16	31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15	30-Mar-15
Net (loss) income	(664,643)	74,971	(91,957)	(79,685)	(361,558)	(282,011)	(212,455)	(278,800)
(Loss) income per share - basic and diluted (from continuing operatons)*	(0.02)	0.00	(0.01)	(0.01)	(0.05)	(0.04)	(0.03)	(0.04)
Total assets	2,221,232	2,492,813	1,017,982	971,836	952,785	1,116,643	1,165,389	1,173,107
Long term financial liabilities	-	-	-	-	-	-	-	-

* Effective October 23, 2015, the Company consolidated its common shares on the basis of one new common share for every ten common shares outstanding. All references to common shares, per share amounts, warrants and options for all periods presented have been retroactively restated to reflect this consolidation

Liquidity and Capital Resources

The Company does not have any operating assets that generate revenues. The Company incurred a net loss from its continuing operations of $761,314 for the year ended December 31, 2016 (December 31, 2015 - $1,134,824) and used net cash of $1,066,180 in its operating activities (December 31, 2015 - $169,145).

The Company has a need for financing for working capital. As a result of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation.

Working Capital

As at December 31, 2016, the Company had a working capital (see Non-GAAP measures) of $1,224,100 (December 31, 2015 – net working capital deficiency of $1,358,080).

Carrying Value of Balance Sheet Items

The Company holds investments that include 2,250,000 common shares of Cornerstone Metals Inc. recorded at a fair value of $78,750 at December 31, 2016 (December 31, 2015 - $11,250). This investment is classified as held-for-trading.

Total accounts payable as at December 31, 2016 were $131,755 (December 31, 2015 - $1,455,869).

Cash Flows

Cash Flows for the three months ended December 31, 2016 and 2015

(Expressed in Canadian dollar $)	For the quarter ended December 31, 2016	For the quarter ended December 31, 2015
Cash (used in) provided by operating activities	$ (272,809)	$ (5,984)
Cash (used in) financing activities	(7,247)	-
Cash (used in) investing activities	(10,585)	-
(Decrease) in cash and cash equivalents	$ (290,641)	$ (5,984)

Cash of $272,809 was used in operating activities during the three months ended December 31, 2016 compared to $5,984 used in operating activities during the three months ended December 31, 2015. The increase in operating cash flow was mainly due to change in working capital items. See Non-GAAP measures. Cash of $10,585 was used in equipment purchase and $7,247 was used in share issuance costs.

Cash Flows for the years ended December 31, 2016 and 2015

(Expressed in Canadian dollar $)	For the years ended December 31, 2016	For the years ended December 31, 2015
Cash (used in) operating activities	$ (1,066,180)	$ (169,145)
Cash provided by financing activities	2,228,435	-
Cash (used in) investing activities	(10,585)	-
Increase (decrease) in cash and cash equivalents	$ 1,151,670	$ (169,145)

Cash of $1,066,180 was used in operating activities during the year ended December 31, 2016 compared to $169,145 used in operating activities during the year ended December 31, 2015. The increase in operating cash flow was mainly due to change in working capital items resulting from higher operating expenses, which was offset by government assistance of $31,377 received in February 2016. See Non-GAAP measures. Cash of $2,228,435 was provided by the proceeds of the First Tranche and the Second Tranche financings net of issuance costs.

Results of Operations

For the three months ended December 31, 2016 and 2015

Operating expenses	For the three months ended December 31, 2016	For the three months ended December 31, 2015
Management and consulting fees	$ 94,131	$ 165,221
Share-based payments	358,189	-
Directors' fees	-	23,333
Office and rent	19,440	20,751
Investor relations	16,292	7,253
Travel and promotion	853	-
Accounting and legal	15,162	(15,675)
Regulatory and transfer agent	2,509	5,376
Exploration and evaluation expense	147,151	-
Amortization	204	-
Bad debt	-	19,599
Foreign exchange (gain)	(538)	(27)
Total operating expenses	653,393	225,831
(Loss) before other (expenses)	(653,393)	(225,831)
Other income (expenses)		
Impairment of exploration and evaluation properties	-	(135,729)
Unrealized (loss) on held for trading marketable securities	(11,250)	-
Interest income	-	2
Net (loss) and comprehensive (loss) for the period	$ (664,643)	$ (361,558)

The Company recorded a net loss and comprehensive loss of $664,643 during the three months ended December 31, 2016 compared to a net loss and comprehensive loss of $361,558 during the same period of 2015. The net loss and comprehensive loss during three months ended December 31, 2016 was resulted primarily from the share-based payments, increased exploration and evaluation expenses, unrealized loss on held for trading marketable securities and the remainder of the operating expenses. The net loss and comprehensive loss during the same period in 2015 was resulted primarily from the impairment of exploration and evaluation properties, management and consulting fees and the remainder of the operating expenses.

For the years ended December 31, 2016 and 2015

	For the years ended December 31,	
Operating expenses	2016	2015
Management and consulting fees	$ 469,519	$ 637,954
Share-based payments	358,189	3,090
Directors' fees	(188,333)	143,333
Office and rent	36,346	83,737
Investor relations	30,967	50,525
Travel and promotion	853	6,067
Accounting and legal	27,738	20,815
Regulatory and transfer agent	17,193	16,611
Exploration and evaluation expense	115,774	7,500
Amortization	204	-
Bad debt	-	19,599
Foreign exchange (gain)	(636)	(224)
Total operating expenses	867,814	989,007
Loss before other income (expenses)	(867,814)	(989,007)
Other income (expenses)		
Gain on debt settlement	39,000	-
Impairment of exploration and evaluation properties	-	(135,729)
Unrealized gain (loss) on held for trading marketable securities	67,500	(11,250)
Interest income	-	1,162
Net (loss) and comprehensive(loss) for the year	$ (761,314)	$ (1,134,824)

The Company recorded a net loss and comprehensive loss of $761,314 during the year ended December 31, 2016 compared to a net loss and comprehensive loss of $1,134,824 during the same period of 2015. The net loss and comprehensive loss during the year ended December 31, 2016 was resulted primarily from management and consulting fees, share-based payments, exploration and evaluation expenses, office and rent and investor relations offset by write off of directors' fees, gain on debt settlement and unrealized gain on held for trading marketing securities. The net loss and comprehensive loss during the same period in 2015 was resulted primarily from management and consulting fees, directors' fees accrued, office and rent expenses, investor relations, impairment of exploration and evaluation properties, and unrealized loss on held for trading marketing securities.

Exploration and evaluation (recovery) expenses:

	Years ended December 31, 2016	2015
Consulting	$ 100,533	$ 7,500
Government assistance	(31,377)	-
Legal	29,529	-
Travel & accomodation	7,803	-
Claims & maintenance	340	-
Field office and supplies	6,223	-
Truck rental	2,723	-
Total	$ 115,774	$ 7,500

Exploration and Evaluation Expenditures

The exploration and evaluation assets of the Company are comprised as follows:

	Rivière Doré $	Queylus $	Total $
Balance, December 31, 2014	854,996	135,729	990,725
Impairment (b)	-	(135,729)	(135,729)
Balance, December 31, 2015 and 2016	854,996	-	854,996

Rivière Doré

On November 30, 2011, the Company signed an agreement with Cartier Resources Inc. ("Cartier") to acquire 100% of the Rivière Doré Copper Nickel property ("Rivière Doré") located southeast of the town of Val D'Or, Quebec. This agreement superseded the agreement signed with Cartier in January 2011. In consideration for a 100% interest in Rivière Doré, the Company paid $150,000 in cash, issued 2,000,000 common shares of the Company, with an estimated fair value of $550,000, and granted a royalty of 1% of the net smelter return in connection with ore extracted from the Rivière Doré property. The Company is also committed to a 2% royalty payment of the net smelter return on 36 of its 1,052 existing claims on the property. This transaction closed on December 15, 2011.

The Company has also agreed to pay to Cartier an amount equal to 2% of the net present value shown in a bankable feasibility study on Rivière Doré, payable in cash in three equal installments over the 18-month period from the commencement of commercial production on the Rivière Doré property.

The Rivière Doré property had been under suspension since July 4, 2011 as a result of discussions between the Company, government officials and the Algonquin Community of Barriere Lake in relation to the property.

On June 29, 2016, the Company announced that it has received a written notification from MERN that effective June 28, 2016 all claims under suspension on the Company's Rivière Doré project had been lifted. The notice also stated that pursuant to the claims the Company has a right of access to the land under the claims, has the right to conduct any and all exploration work deemed appropriate and the claims have been extended by an additional two years.

On November 14, 2016, the Company announced its first drilling program to be conducted on its 100%-owned copper-rich Rivière Doré property, located 150 kilometres southeast of the prolific mining district of Val d'Or, Quebec. The Company designed an initial 2,000 metre drilling program. The Company submitted its applications for the requisite permits to the appropriate Government of Quebec ministries on October 10th, 2016. A contract was awarded to Orbit Garant who is prepared to mobilize its equipment and team as soon as the permits have been granted to the Company.

On January 27, 2017, the MERN issued a press release announcing its intention to suspend all the Rivière Doré claims of Copper One in the Lac Barrière area near Val-d'Or, Quebec. MERN's proposed suspension of the Company's claims appears to be a response to a press conference held by members of the Algonquins of Barrière Lake who denounced the *Mining Act* (Quebec) as illegal and unconstitutional.

On February 9, 2017, the Company received a decision from MERN suspending all of Copper One's mining claims related to its Rivière Doré Project. MERN is basing their suspension decision on section 63 of the *Mining Act* (Quebec).

On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of the MERN issued on February 8, 2017 to suspend all of Copper One's mining claims related to its Rivière Doré Project. Copper One strongly disagrees with MERN's decision to suspend its claims and will continue to exercise its legal rights.

Queylus

In 2015, the Company decided to let the Queylus claims lapse and no longer holds an interest in the property.

Financial Commitments and Contractual Obligations

Summary of contractual obligations at December 31, 2016 is detailed in the table below.

Contractual Obligations	**Payments (Receipts) Due by Period**		
	Total	**Less than 1 Year**	**1 – 3 Years**
Minimum commitment under management contracts (i)	$ 251,000	$ 251,000	$ -
Total	**$251,000**	**$251,000**	**$0**

(i) The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $807,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $251,000 due within one year.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Transactions with Related Parties

During the years ended December 31, 2016 and 2015, the Company entered into the following transactions in the ordinary course of business with related parties from accounting perspective that are not subsidiaries of the Company.

	Purchase of goods and services Years ended December 31,	
	2016	2015
Forbes & Manhattan, Inc.	$ 210,000	$ 300,000
QMX Gold Corporation	22,931	-

Mr. Stan Bharti is the Executive Chairman of Forbes & Manhattan ("Forbes"). The Company is part of the Forbes Group of Companies and continues to receive the benefits of such membership, including access to mining professionals, advice from Mr. Bharti, and strategic advice from the Forbes Board of Advisors. An administration fee of $10,000 per month (January 2015 to June 2016 - $25,000 per month) is charged by Forbes pursuant to a consulting agreement. As at December 31, 2016, the Company had a payable balance of $Nil (December 31, 2015 - $536,750) with Forbes. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment or due on demand.

The Company shares its office space with QMX Gold Corporation ("QMX") located in Val-d'Or. During the year ended December 31, 2016, $22,931 was charged by QMX to the Company for rent and consulting expenses (2015 - $Nil). As at December 31, 2016 the Company had a payable balance of $13,861 (December 31, 2015 - $Nil) with QMX. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment or due on demand. Deborah Battiston, an officer of the Company, is an officer of QMX.

The Company shares its office space with other companies who may have common officers or directors. The costs associated with this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc., to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

On January 11, 2016, the Company entered into a shares for debt agreement with Forbes to settle $95,000 of debt through the issuance of 1,900,000 common shares of the Company at a deemed price of $0.05 per share.

On January 11, 2016, the Company entered into a shares for debt agreement with 2227929 Ontario Inc. wherein $100,000 worth of debt was settled through the issuance of 2,000,000 common shares at a deemed price per share of $0.05.

On August 19, 2016, the Company entered into a settlement agreement with Forbes to settle $611,250 of debt through the issuance of 4,701,923 common shares of the Company at a deemed price of $0.13 per share. These shares were issued on October 11, 2016. Forbes became a 19% security holder of the Company upon the issuance of shares for debt settlement.

Officers and directors of the Company participated in the August 4, 2016 private placement financing and subscribed for an aggregate of 3,172,308 units of the Company. A corporation with directors and officers in common with the Company subscribed for 846,154 units and 2227929 Ontario Inc. subscribed for 1,030,969 units.

On October 11, 2016, the Company granted 1,583,800 stock options to directors and officers of the Company at an exercise price of $0.19 for a period of 5 years from the date of grant.

The Company owns 2,250,000 common shares of Cornerstone Metal Inc. Paul Cowley, a former director of the Company, is a director and officer of Cornerstone Metal Inc. Subsequent to the end of the year, Paul Cowley resigned to be a director of the Company.

Compensation of Key Management, Directors and Officers

The remuneration of directors and other members of key management personnel during the years ended December 31, 2016 and 2015 were as follows:

	Years ended December 31,	
	2016	2015
Short-term benefits	$ 214,500	$ 353,333
Share-based payments	291,102	3,090

At December 31, 2016, the Company had $nil (December 31, 2015 - $454,458) owing to its current and former key management, directors and officers. Such amounts are unsecured, non-interest bearing, with no fixed terms of payment or due on demand.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amount, which are actual amounts spent by the transacting parties.

Corporate Update

On July 14, 2016, the Company announced the appointment of Paul Pint to its board of directors. Mr. Pint is the President of Sulliden Mining Capital Inc. and has over 20 years of capital markets experience. Mr. Pint began his capital markets career on the institutional equity team at a large Canadian financial institution. Over his career, he has held a number of senior positions at various financial institutions and boutique investment banks in Canada. Mr. Pint is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.

On August 17, 2016, the Company announced the appointment of Damian Lopez as the Corporate Secretary of the Company. Mr. Lopez is a corporate securities lawyer who works as a legal consultant to various TSX and TSX Venture listed companies. Mr. Lopez previously worked as a securities lawyer at a large Toronto corporate law firm. He obtained his JD degree from Osgoode Hall and received a Bachelor of Commerce from the University of Toronto.

On January 31, 2017, Paul Cowley resigned from the board of directors of the Company.

On February 1, 2017, Thomas Olesinski was appointed a director to the board of directors of the Company.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, held for trading investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying values of these financial instruments approximate their fair values due to the short maturity of those instruments. See Note 13 of the Company's audited financial statements.

Outstanding Share Data

As at the date hereof, there were 34,190,109 common shares of the Company outstanding, 19,700,288 warrants outstanding exercisable into 19,700,288 common shares of the Company with a weighted average exercise price of $0.20 per warrant and 2,351,800 stock options outstanding with a weighted average exercise price of $0.28 per option.

Non-GAAP Measures

The MD&A contains the term working capital. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These non-GAAP measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

Working Capital

Current assets		December 31, 2016		December 31, 2015
Cash and cash equivalents	$	1,205,519	$	53,849
Marketable securities		78,750		11,250
Receivables		43,621		31,306
Prepaid expenses and deposits		27,965		1,384
Total current assets		1,355,855		97,789
Current liabilities				
Accounts payable and accrued liabilities	$	131,755	$	1,455,869
Total liabilities		131,755		1,455,869
Working capital (current assets less current liabilities)	$	1,224,100	$	(1,358,080)

Net cash (used in) operating activities

(Expressed in Canadian dollars $)	Three months ended December 31,				Years ended December 31,			
		2016		2015		2016		2015
Cash (used in) operating activities before change in working capital items	$	(545,667)	$	(225,829)	$	(721,088)	$	(984,755)
Cash provided by (used in) change in working capital items		272,858		219,845		(345,092)		815,610
Net cash (used in) operating activities	$	(272,809)	$	(5,984)	$	(1,066,180)	$	(169,145)

New and future accounting pronouncements

During 2016, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS7, IAS1 and IAS38. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

Accounting pronouncements not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2017 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

Critical Judgments and Estimation Uncertainties

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and affect estimates for provisions for reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material. See Note 2 of the Company's Consolidated Financial Statements for years ended December 31, 2016 and 2015 for detail.

Risks and Uncertainties

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

While the Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

No Revenues

To date, the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

First Nations

First Nations in the Province of Quebec are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands.

Should a First Nation make such a claim in respect of the Rivière Dore project and should such claim be resolved by government or the courts in favour of the First Nation, it could materially adversely affect the business of the Company. In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining at its projects and could results in costs and delays or materially restrict the Company's activities. Mining licenses and their renewals may be affected by land and resource rights negotiated as part of any settlement agreements entered into by governments with First Nations. The Algonquins of Barrière Lake have denounced the *Mining Act* (Quebec) as illegal and unconstitutional and have threat and has opposed mining activity at the the Rivière Dore project.

Mineral Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral iron ore. Iron ore prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of iron ore and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of iron ore has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a materially adverse effect on the Company's business, financial condition and result of operations.

Environmental

The Company's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

The Rivière Doré project is located southeast of the town Val-d'Or, Quebec, Canada. Canadian law related to aboriginal rights, including aboriginal title rights, is in a period of change. There is a risk that future changes to the law may adversely affect the Company's rights to its Canadian projects, including the Rivière Doré project. Consultation with First Nations is required of the Company in environmental assessment, subsequent permitting, development and operation of its proposed projects. There is a risk that the First Nations may publicly oppose the proposed project at any stage and this potential opposition may adversely affect the project or the Company, including the Company's public image. The Company may incur significant costs in connection with any opposition by First Nations or other groups to the Company's development activities and operations at its projects. The Algonquins of Barrière Lake have denounced the *Mining Act* (Quebec) as illegal and unconstitutional and has opposed mining activity at the Rivière Dore project.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's mining and project development operations. On February 21, 2017, the Company filed an appeal with the Court of Québec against the decision of the MERN to suspend all of the Company's mining claims related to its Rivière Doré project. The Company strongly disagrees with MERN's decision to suspend its claims and will continue to exercise its legal rights.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase projected costs.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Current Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Subsequent event

See Company Outlook and Recent Development section.

Subsequent to December 31, 2016, 25,000 options with an exercise price of $3.50 expired unexercised.

Additional Information

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.

EXHIBIT "B"

INVESTMENT POLICY

COPPER ONE INC.
INVESTMENT POLICY

Copper One Inc. (the "**Corporation**") is an investment company that carries on business with the objective of enhancing shareholder value. The Corporation will seek to accomplish this objective by making use of the experience, expertise and opportunity flow of its management and board of directors (the "**Board**") to opportunistically make investments in situations that the Corporation believes will provide superior returns. Such investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities.

Investment Strategy

The following shall be the guidelines for the Corporation's investment strategy:

- The Corporation may invest in securities of both public and private companies or other entities that the Corporation believes have the potential for superior investment returns, with a particular emphasis on small capitalization companies looking to grow or expand.

- The Corporation will maintain a flexible position with respect to the form of investment taken and may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants, options, royalties, net profit interests and other hybrid instruments.

- The Corporation will not invest in physical commodities, derivatives, "short" sales or other similar transactions (except that the Corporation may sell call options to purchase securities owned by the Corporation as a means of locking in gains or avoiding future losses).

- The Corporation will not be precluded from investing in any particular industry but the Corporation shall initially focus on the resource, technology and agriculture industries, including cannabis (collectively, the "**Industries**"). These Industries will primarily be North American based entities, although certain properties owned by companies engaged in the resource sector may be located outside of North America. The Corporation's management and the Board have experience and expertise in such Industries and will pursue opportunities in those sectors that the Corporation believes from time to time offer the best opportunities for the creation of enhanced value for the Corporation's shareholders. Similarly, there are no restrictions on the size or market capitalization of companies or other entities in which the Corporation may invest, subject to the provisions hereof.

- The Corporation has no specific policy with respect to investment diversification. Each investment will be assessed on its own merits and based upon its potential to generate above market gains for the Corporation.

- Immediate liquidity shall not be a requirement.

- The Corporation may, from time to time and in appropriate circumstances, seek a more active role in regards to investment situations and investee companies where the involvement of the Corporation is expected to make a significant difference to the success of the Corporation's investment. In appropriate circumstances, this may involve the Corporation, either alone or jointly with other shareholders, seeking to influence the governance of public or private issuers by seeking board seats, launching proxy contests or taking other actions to enhance shareholder value, or becoming actively involved in the management or board oversight of investee companies.

- The Corporation may also make investments in special situations, including event-driven situations such as corporate restructurings, mergers, spin offs, friendly or hostile take-overs, bankruptcies or leveraged buyouts. Such special situations may include, without limitation, investments in one or more public companies, by take-over bid or otherwise, where there is an opportunity to invest to gain control over the strategic direction of such public companies, whether using the shares of the Corporation as currency or otherwise. Such situations may also involve the Corporation lending money, directly or indirectly.

- Depending upon market conditions and applicable laws, the Corporation may seek to sell any or all of its investments when it concludes that those investments no longer offer the potential to generate appropriate gains for the Corporation, or when other investment opportunities reasonably available to the Corporation are expected to offer superior returns. This may include the disposition of any or all of the Corporation's investments in a particular Industry sector or of a particular nature, or any or all of the Corporation's investments more generally, without prior notice to the Corporation's shareholders.

- Subject to applicable laws and regulatory requirements, the Corporation may also from time to time seek to utilize its capital to repurchase shares of the Corporation.

- The Corporation may, from time to time, use borrowed funds to purchase or make investments or to fund working capital requirements, or may make investments jointly with third parties.

- Depending upon the Corporation's assessment of market conditions and investment opportunities, the Corporation may, from time to time, be fully invested, partially invested or entirely uninvested such that the Corporation is holding only cash or cash-equivalent balances while the Corporation actively seeks to redeploy such cash or cash-equivalent balances in suitable investment opportunities. Funds that are not invested or expected to be invested in the near-term, while the Corporation actively seeks to redeploy such funds in one or more suitable investment opportunities, may, from time to time as appropriate, be placed into high quality money market investments.

- All investments shall be made in compliance with applicable laws in relevant jurisdictions, and shall be made in accordance with the rules and policies of any applicable regulatory authorities.

Implementation

Management of the Corporation and the Board will work jointly to uncover appropriate investment opportunities that meet the Corporation's investment strategy as outlined above and the Corporation's objective of enhancing shareholder value. These individuals have a broad range of business and investing experience and networks through which potential investments are expected to be identified.

Prospective investments will be channeled through the investment committee of the Board (the "**Investment Committee**"). The Investment Committee shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Corporation in accordance with the investment evaluation process below, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence.

This process may involve the participation of outside professional consultants.

All investments shall be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Corporation's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Corporation. Negotiations may be ongoing before and after the performance of due diligence. The representative(s) of the Corporation involved in these negotiations will be determined in each case by the circumstances.

Investment Evaluation Process

In selecting securities for the investment portfolio of the Corporation, the Investment Committee will consider various factors in relation to any particular issuer, including:

- inherent value of its assets;
- proven management, clearly-defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk; and
- financial performance, including consistency of positive cash flow.

Composition of Investment Portfolio

The nature and timing of the Corporation's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Corporation.

The Corporation intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Conflicts of Interest

The Corporation has no restrictions with respect to investing in companies or other entities in which a member of the Corporation's management or Board may already have an interest or involvement. However, prior to the Corporation making an investment, all members of senior management and the Board shall be obligated to disclose any such other interest or involvement. In the event that a conflict is determined to exist, the Corporation may only proceed after receiving approval from disinterested members of the Board.

The Corporation is also subject to the "non-arm's length" and "related party transaction" policies of the Canadian Stock Exchange, which mandates disinterested shareholder approval for certain transactions.

The management and directors of the Corporation may be involved in other activities which may on occasion cause a conflict of interest with his or her duties to the Corporation. These include serving as directors, officers, promoters, advisors or agents of other public and private companies, including of companies in which the Corporation may invest, or being shareholders or having an involvement or financial interest in one or more shareholders of existing or prospective investee companies of the Corporation. The management and directors of the Corporation may also engage from time to time in transactions with the Corporation where any one or more of such persons is acting in his or her capacity as financial or other advisor, broker, intermediary, principal or counterparty.

The management and directors of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunities and requiring disclosure of conflicts of interest, and the Corporation will rely upon such laws in respect of any conflict of interest. Further, to the extent that management or directors of the Corporation engage in any transactions with the Corporation, such transactions will be carried out on customary and arm's length commercial terms.

Monitoring and Reporting

The Corporation's Chief Financial Officer shall be primarily responsible for the reporting process whereby the performance of each of the Corporation's investments is monitored. Quarterly financial and other progress reports shall be gathered from each corporate entity, and these shall form the basis for a quarterly review of the Corporation's investment portfolio by the Investment Committee. Any deviations from expectation are to be investigated by the Investment Committee and, if deemed to be significant, reported to the Board.

With public company investments, the Corporation is not likely to have any difficulty accessing financial information relevant to its investment. In the event the Corporation invests in private enterprises, it shall endeavour in each case to obtain a contractual right to be provided with timely access to all books and records it considers necessary to monitor and protect its investment in such private enterprises.

A full report of the status and performance of the Corporation's investments is to be prepared by the Chief Financial Officer and presented to the Board at the end of each fiscal year.

Amendment

This investment policy may be amended from time to time with the prior approval of the Board.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Copper One Inc., hereby applies for the listing of the abovementioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Copper One Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario

this 21st day of August, 2019.

"Stam Bharti"

Stan Bharti, President, Chief Executive Officer and Director

"Deborah Battiston"

Deborah Battiston, Chief Financial Officer

"Fred Leigh"

Fred Leigh, Director

"Scott Moore"

Scott Moore, Director