TSX: **NCP** | OTCQX: NCPCF

NICKEL CREEK PLATINUM CORP.

(Formerly Wellgreen Platinum Ltd.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements for the year ended December 31, 2018, and the notes thereto, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are the responsibility of the management of Nickel Creek Platinum Corp. (the "Company"). The Financial Statements, where necessary, include amounts which are based on the best estimates and judgement of management.

The Company maintains a system of internal controls designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with management's authorization, proper records are maintained and relevant and reliable financial information is produced. These controls include maintaining quality standards in hiring and training of employees, policies and procedures manuals, a corporate code of conduct and ethics and ensuring that there is proper accountability for performance within appropriate and well-defined areas of responsibility. The system of internal controls is further supported by a compliance function, which is designed to ensure that the Company and its employees comply with securities legislation and conflict of interest rules.

The Board of Directors is responsible for overseeing management's performance of its responsibilities for financial reporting and internal control. The Audit Committee, which is composed of non-executive directors, meets with management as well as the external auditors to ensure that management is properly fulfilling its financial reporting responsibilities to the Board who approve the Financial Statements. The external auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits and the adequacy of the system of internal controls, and to review financial reporting issues.

The external auditor, PricewaterhouseCoopers LLP, has been appointed by the Company's shareholders to render their opinion on these consolidated financial statements and their report is included herein.

"/s/ "Diane Garrett"

Diane R. Garrett, President and Chief Executive Officer

"/s/ "Joe Romagnolo"

Joe Romagnolo, Sr. Vice-President and Chief Financial Officer

March 20, 2019

Independent auditor's report

To the Shareholders of Nickel Creek Platinum Corp. (formerly, Wellgreen Platinum Ltd.)

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Nickel Creek Platinum Corp. and its subsidiaries (formerly, Wellgreen Platinum Ltd.) (together, the Company) as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2018 and 2017;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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

Independence
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.

Material uncertainty related to going concern

We draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Other information

Management is responsible for the other information. The other information comprises the 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 identified above 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Dean Braunsteiner.

(Signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 20, 2019

Nickel Creek Platinum Corp.
(Formerly Wellgreen Platinum Ltd.)
Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Note	December 31, 2018	December 31, 2017
ASSETS			
Current Assets			
Cash and cash equivalents	5	**$ 2,794,435**	$ 9,174,477
Amounts receivable	6	**106,033**	202,841
Prepaid expenses		**162,858**	170,330
		3,063,326	9,547,648
Non-Current Assets			
Long-term receivable	7	**-**	50,000
Equipment, net	9	**293,614**	399,162
Exploration and evaluation assets	10	**25,844,098**	51,961,461
		26,137,712	52,410,623
TOTAL ASSETS		**$ 29,201,038**	$ 61,958,271
LIABILITIES			
Current Liabilities			
Accounts payable and other liabilities	11	**$ 311,669**	$ 908,115
Flow-through share premium liability	11	**-**	16,361
		311,669	924,476
Non-Current Liabilities			
Reclamation provision	12	**581,000**	547,000
		892,669	1,471,476
SHAREHOLDERS' EQUITY			
Share capital	13	**131,858,463**	131,858,463
Equity reserves		**15,202,799**	14,384,574
Deficit		**(118,752,893)**	(85,756,242)
		28,308,369	60,486,795
TOTAL LIABILITIES AND EQUITY		**$ 29,201,038**	$ 61,958,271

Going Concern (Note 1)

Commitments (Note 21) and Contingencies (Note 22)

Approved by the Board of Directors on March 20, 2019:

"/s/ "Mark Fields"
Mark Fields, Director

"/s/ "Diane R. Garrett"
Diane R. Garrett, Director

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

Nickel Creek Platinum Corp.
(Formerly Wellgreen Platinum Ltd.)
Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, except share amounts)

	Note		2018		2017
OPERATING EXPENSES					
Consulting and professional fees		**$**	**413,633**	$	872,856
Depreciation	9		**13,044**		12,705
Foreign exchange (gain) loss			**(1,535)**		5,200
Insurance			**66,997**		68,282
Office, regulatory and other			**796,999**		857,997
Investor relations and business development			**342,211**		374,257
Salaries, wages and severance	14		**1,516,647**		1,722,838
Share-based compensation	13		**775,640**		520,798
General and administrative expenses			**3,923,636**		4,434,933
Exploration and evaluation expenses	15		**185,492**		-
Loss before non-operating items			**(4,109,128)**		(4,434,933)
OTHER INCOME (EXPENSE)					
Flow-through share premium			**16,361**		728,000
Impairment of exploration and evaluation assets	8		**(29,000,000)**		-
Interest income			**96,116**		103,519
Loss on sale on disposal of non-core Ontario assets	7		**-**		(47,808)
NET LOSS AND COMPREHENSIVE LOSS		**$**	**(32,996,651)**	$	(3,651,222)
NET LOSS PER COMMON SHARE, BASIC AND DILUTED		**$**	**(0.14)**	$	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			**236,569,139**		216,526,485

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

Nickel Creek Platinum Corp.
(Formerly Wellgreen Platinum Ltd.)
Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note		2018		2017
OPERATING ACTIVITIES					
Net loss for the year		$	**(32,996,651)**	$	(3,651,222)
Add (deduct) items not affecting cash					
Accrued interest income			**-**		(25)
Depreciation			**30,690**		12,705
Flow-through share premium	11, 21(b)		**(16,361)**		(728,000)
Impairment of exploration and evaluation assets	8		**29,000,000**		-
Loss on sale on disposal of non-core Ontario assets	7		**-**		47,808
Share-based compensation			**789,767**		520,798
Unrealized foreign exchange (gain) loss			**(1,242)**		2,710
			(3,193,797)		(3,795,226)
Changes in non-cash working capital balances	18		**(355,820)**		(711,772)
Cash used in operating activities			**(3,549,617)**		(4,506,998)
INVESTING ACTIVITIES					
Decrease in short-term investments	5		**-**		10,023,000
Equipment additions			**-**		(170,696)
Exploration and evaluation expenditures			**(2,881,667)**		(6,504,915)
Collection of proceeds from disposal of non-core Ontario assets	7		**50,000**		100,000
Repayment of management loans			**-**		134,299
Cash provided from (used in) investing activities			**(2,831,667)**		3,581,688
FINANCING ACTIVITIES					
Proceeds from share issuance, net of issue costs	13		**-**		9,368,645
Cash provided from financing activities			**-**		9,368,645
Effect of foreign exchange rate changes on cash and cash equivalents			**1,242**		(2,710)
Increase (decrease) in cash and cash equivalents, net			**(6,380,042)**		8,440,625
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR			**9,174,477**		733,852
CASH AND CASH EQUIVALENTS, END OF THE YEAR		$	**2,794,435**	$	9,174,477

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

Nickel Creek Platinum Corp.
(Formerly Wellgreen Platinum Ltd.)
Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31, 2018 and 2017

(Expressed in Canadian dollars, except share amounts)

	Number of Common Shares		Share Capital		Equity Reserves		Deficit		Total Shareholders' Equity
At January 1, 2017	**202,773,548**	**$**	**123,234,179**	**$**	**13,830,682**	**$**	**(82,105,020)**	**$**	**54,959,841**
Private Placements									
August 4, 2017- Flow-Through Shares (Note 13(b))	8,675,535		3,000,000		-		-		3,000,000
August 4, 2017 (Note 13(b))	12,740,855		3,312,622		-		-		3,312,622
August 8, 2017 (Note 13(b))	12,379,201		3,218,592		-		-		3,218,592
Share issuance costs	-		(162,569)		-		-		(162,569)
Premium on flow-through shares	-		(744,361)		-		-		(744,361)
Share-based compensation (Note 13(c))	-		-		553,892		-		553,892
Net loss for the year	-		-		-		(3,651,222)		(3,651,222)
At December 31, 2017	**236,569,139**	**$**	**131,858,463**	**$**	**14,384,574**	**$**	**(85,756,242)**	**$**	**60,486,795**
At January 1, 2018	**236,569,139**	**$**	**131,858,463**	**$**	**14,384,574**	**$**	**(85,756,242)**	**$**	**60,486,795**
Share-based compensation (Note 13(c))	-		-		818,225		-		818,225
Net loss for the year	-		-		-		(32,996,651)		(32,996,651)
At December 31, 2018	**236,569,139**	**$**	**131,858,463**	**$**	**15,202,799**	**$**	**(118,752,893)**	**$**	**28,308,369**

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

(Expressed in Canadian dollars, unless otherwise indicated)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nickel Creek Platinum Corp., ("**Nickel Creek Platinum**" or the "**Company**") is a public company incorporated in British Columbia, and is listed on the Toronto Stock Exchange trading under the symbol **NCP**, and on the OTCQX under the symbol **NCPCF**. On January 8, 2018, the Company changed its name to Nickel Creek Platinum Corp. from Wellgreen Platinum Ltd. The Company's registered and head office is at 2200 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

The Company's principal business activity is the exploration, evaluation and development of nickel and platinum group metals ("PGM") mineral properties in North America. The Company is focused on its 100%-owned nickel-copper-PGM project, located in the Yukon Territory, Canada ("Nickel Shäw Project", formerly known as the "Wellgreen Project").

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to a going concern.

The Company's continuing operations are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to continue the exploration and development of its mineral property interests and to obtain and maintain the permits necessary to mine and process, and on future profitable production from, or proceeds from the disposition of, its mineral property interests.

The Company has a history of losses with no operating revenue, an accumulated deficit at December 31, 2018 of $118.8 million (December 31, 2017 – $85.8 million), and working capital at December 31, 2018 of $2.8 million (December 31, 2017 – $8.6 million). The Company will need to seek additional financing to meet its exploration and development objectives.

The Company will require additional sources of financing to fund ongoing operating costs and exploration and development of its mineral properties. The Company will be seeking these additional funds before the end of the 2019 calendar year, and are in ongoing discussions with principal shareholders regarding the timing and amount of these additional funds. There can be no assurance that the Company will continue to be able to obtain additional financing. If the Company is unable to obtain adequate additional financing, the Company will need to further curtail its activities until additional funds can be raised. It is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and require an impairment provision to the carrying value of exploration properties and related assets. Management regularly reviews the carrying value of the Company's property and where necessary, exploration and evaluation mineral properties are written-down to their estimated recoverable amount or written off. See Note 8 for a description of the $29.0 million impairment charge recorded during the three-month period ended September 30, 2018.

Due to operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing to fund ongoing planned operating costs and planned activities at its Nickel Shäw Project. These factors may lend significant doubt as to the Company's ability to continue as a going concern and accordingly, the ultimate use of accounting principles applicable to a going concern.

Management believes that the Company will be able to continue as a going concern for the foreseeable future and realize its assets and discharge its liabilities and commitments in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities

(Expressed in Canadian dollars, unless otherwise indicated)

and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS.

These consolidated financial statements were reviewed and approved by the Board of Directors on March 20, 2019.

(b) Measurement Basis

These consolidated financial statements are prepared under the historical cost convention, except for assets held for sale, which are measured at fair value less costs of disposal.

All amounts are presented in the Company's functional currency, which is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its 100%-owned subsidiaries at December 31, 2018. All material intercompany balances and transactions have been eliminated. Details of the Company's subsidiaries at December 31, 2018 are as follows:

		Place of	Ownership interest	
	Principal Activity	incorporation and operation	December 31, 2018	December 31, 2017
0905144 B.C. Ltd.	Exploration	Canada	100%	100%
1043704 B.C. Ltd.	Holding company	Canada	100%	100%
PCNC Holdings Corp.	Holding company	Canada	100%	100%
Pacific Coast Nickel Corp., U.S.A.	Inactive	U.S.A.	100%	100%
Pacific Nickel Sudamerica S.A.	Inactive	Uruguay	100%	100%

(b) Cash and cash equivalents

Cash and cash equivalents of the Company are comprised of bank balances and short-term money market instruments with original maturities of less than 90 days, which are readily convertible into a known amount of cash.

(c) Short-term investments

Short-term investments of the Company are certificates of deposit with original maturities greater than 90 days but less than one year, which are convertible to known amounts of cash at the end of the maturity period.

(Expressed in Canadian dollars, unless otherwise indicated)

(d) Amounts receivable

Amounts receivable are primarily comprised of Canadian goods and sales tax.

(e) Exploration and evaluation assets

All expenditures related to the cost of exploration and evaluation of mineral resources, including acquisition costs for interests in mineral claims, are capitalized as exploration and evaluation assets. General exploration costs not related to specific mineral properties and expenditures incurred before the Company has obtained the legal right to explore an area are expensed as incurred. When an asset is determined not to be commercially viable, exploration and evaluation costs, excluding acquisition, permitting and claim maintenance costs, are no longer capitalized and will be expensed as incurred. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and, upon commencement of commercial production, are amortized using the units-of-production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units. Management regularly assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. An impairment triggering event is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal; no further substantive expenditures are planned or budgeted, and exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered; or indications that in an area with development likely to proceed the carrying amount is unlikely to be recovered in full by development or sale.

The recoverability of exploration and evaluation assets is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, legal rights under permits to extract the reserves and the profitability of future operations. The Company has not yet determined whether any of its mineral properties contain economically recoverable reserves. Amounts capitalized to exploration and evaluation assets do not necessarily reflect present or future values.

(f) Impairment of assets

Long lived assets, such as equipment, are reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances may indicate that their carrying amount may exceed their recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of its value in use (being the present value of expected future cash flows of the relevant cash-generating unit) and fair value less costs of disposal. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the recoverable amount.

(g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(Expressed in Canadian dollars, unless otherwise indicated)

(h) Reclamation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore mineral properties in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and restoration, reclamation and re-vegetation of affected areas. The fair value of the liability for a rehabilitation provision is recorded when it is incurred. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mineral property. Over time, the discounted liability will change based on the discount rates that reflect current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

(i) Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the asset using the declining balance method at annual rates of between 20% and 30% pro-rated to the number of months in use during the year. Leasehold improvements are recorded at cost less accumulated depreciation which is recorded over the remaining lease term.

(j) Income taxes

The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets for which realization is not probable are not recognized.

(k) Share-based compensation

The Company recognizes share-based compensation expense using the fair value method at date of grant. The share-based compensation costs are charged to operations or capitalized to mineral property over the stock options (“Options”) and stock appreciation rights (“SARs”) vesting period. Deferred share units (“DSUs”) issued to Directors in lieu of director fees are expensed at time of grant using the share price on date of issuance. Agents’ options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of Options and SARs expected to vest. On the exercise of Options, SARs, DSUs, and agents’ options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based compensation expense for Options and SARs.

(l) Warrants issued in private placements

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value (typically common shares) and then the residual value, if any, to the less easily measurable component (typically warrants).

(Expressed in Canadian dollars, unless otherwise indicated)

(m) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

(n) Share issue costs

If the completion of a share equity transaction is considered likely, professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

(o) Financial instruments

Until December 31, 2017, the Company recognized all financial assets initially at fair value and classified them into one of the following four categories: fair value through profit or loss, available-for-sale investments, loans and receivables and financial liabilities at amortized cost, as appropriate.

Effective January 1, 2018, the Company recognizes all financial assets initially at fair value and classifies them into one of the following measurement categories: fair value through profit or loss, fair value through other comprehensive income or amortized cost, as appropriate. The Company recognizes all financial liabilities initially at fair value and classifies them as either fair value through profit or amortized cost, as appropriate.

On adoption of IFRS 9 Financial Instruments, there was no significant impact on the consolidated financial statements and there were no changes in the carrying values of any of the Company’s financial assets or liabilities.

(p) Flow-through common shares

The Company finances certain exploration expenditures through the issuance of flow-through common shares. Pursuant to the Canadian Income Tax Act and the terms of the flow-through share agreements, the resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate Canadian income tax legislation. When the common shares are issued, the difference (“premium”) between the amounts recognized in common shares and the amounts the investors pay for the shares is recognized as a flow-through share premium liability which is reversed into the consolidated statement of loss and comprehensive loss as other income when the eligible expenditures are incurred.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced, in accordance with the Canadian Income Tax Act flow-through regulations. When applicable, the estimated tax payable is accrued until paid.

(q) Share capital and equity reserves

The fair value of the common shares issued in a private placement unit of shares and warrants is determined to be the more easily measurable component and the shares are valued at their fair value, as determined by the closing quoted price on the closing date of the transaction. The remaining unit proceeds, if any are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus within equity reserves under shareholders' equity. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds.

(r) Segmented information

The Company currently operates in one business segment being the acquisition, exploration, evaluation, and development of mineral properties in Canada. The Company's chief operating decision maker, the President and Chief Executive Officer, in consultation with the Board of Directors, determines the Company's operating segments. As the operations comprise a single reporting and geographic segment (Canada), amounts disclosed in the consolidated financial statements also represent segmented information.

(s) New accounting standards adopted effective January 1, 2018

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2018:

- ***IFRS 2 – Share-based Payments***

  In June 2016, the IASB issued amendments to IFRS 2 Share-based Payment to address certain issues related to the accounting for cash settled awards and the accounting for equity settled awards that include a "net settlement feature" in respect of employee withholding taxes. It is effective for annual periods beginning on or after January 1, 2018. The adoption of these amendments did not have a significant impact on the consolidated financial statements.

- ***IFRS 9 – Financial Instruments***

  The IASB has replaced IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. The adoption of these amendments did not have a significant impact on the consolidated financial statements.

(t) Future changes in accounting standards, which are not yet effective at December 31, 2018

Certain new accounting standards, interpretations and amendments have been published that are not mandatory for December 31, 2018 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below. New standards and interpretations that are not applicable or are not consequential to the Company have been excluded from the list below.

- ***IFRS 16 – Leases***

  In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which establishes the principles that an entity should use to determine the recognition, measurement, presentation and disclosure of leases for both parties to a contract: the customer (lessee) and the supplier (lessor). IFRS 16 replaces the previous leases standard, IAS 17 - Leases, and related Interpretations. IFRS 16 is effective from January 1, 2019 though a company can choose to apply IFRS 16 before that date but only in conjunction with IFRS 15 – Revenue from

Contracts with Customers. The Company is currently assessing the impact the standard is expected to have on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors that it believes to be reasonable under the circumstances.

Areas involving significant judgements include capitalization of exploration expenditures, identification of impairment indicators for exploration and evaluation assets, identification of obligations related to reclamation and rehabilitation, and recognition of contingencies.

Significant estimates, such as those related to the valuation of exploration and evaluation assets, site closure and reclamation provision amounts, fair valuing share-based grants, and measurement of contingent liabilities, depend on subjective or complex judgements about matters that may be uncertain. Changes in those estimates could materially impact these consolidated financial statements.

These judgements and estimates, which have the most significant effect on the amounts recognized in these consolidated financial statements, are discussed further below:

(a) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assumptions and judgements may change if new information becomes available.

If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the period the new information becomes available. The impairment amount requires management assumptions and estimates (see Note 4(b)).

(b) Identification and estimation of impairment of non-financial assets

The carrying values of equipment and exploration and evaluation assets are reviewed each reporting period or upon the occurrence of events or changes in circumstances indicating that the carrying values of assets may not be recoverable.

The evaluation of impairment indicators requires judgement, and involves reviewing factors such as the ability to undertake feasibility studies, positive results from these feasibility studies, which is a function of the quantity and quality of available data and judgements used in engineering and geological interpretation, the continued permitting of the projects, and title to mineral properties in which the Company has interest.

Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value of the asset less costs of disposal and its value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance.

Fair value less costs to dispose is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties. Value in use is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of approved future expansion plans and eventual disposal. Changes in any of the assumptions or estimates used in determining the fair value could impact the impairment analysis and the impairment loss recognized.

(c) Site closure and reclamation provisions

The Company assesses its mineral property reclamation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. The assessment of the existence of a provision, including the scope of the rehabilitation and reclamation work, can be complex and requires management to make judgements.

Liabilities for reclamation provisions are generally recognized at the time of the environmental disturbances made by the Company, in amounts equal to the discounted value of expected future reclamation and closure costs. The Company's provision represents management's best estimate of the present value of the future cash outflows required to settle the liability. Actual costs incurred may differ from those amounts estimated. Factors that affect the final cost of remediation include estimates of the extent and costs of rehabilitation activities, assumptions on the expected timing, technological changes, estimated cost increases, estimate of discount rates, and the requirements under environmental laws and regulations. Changes in the above factors can result in a change to the provision recognized by the Company, and could materially impact the amounts recognized in the balance sheet and charged to operations for reclamation and remediation.

(d) Share-based compensation

Management uses valuation techniques in measuring the fair value of Options and SARs granted. The fair value is determined using the Black-Scholes option pricing model which requires management to make certain estimates and assumptions in relation to the expected life of the Options and SARs, expected volatility, expected risk-free interest rate, and expected forfeiture rate. Some of these estimates are based on previous experience and may change throughout the life of an incentive plan. Changes to these estimates and assumptions could have a material impact on the Company's consolidated financial statements. DSUs are expensed at time of grant using the share price on date of issuance.

The fair value and vesting terms for each share-based grant are specific to each individual grant as determined and approved by the Board of Directors.

(e) Contingencies

The assessment of contingencies, by its nature, inherently involves the exercise of significant judgement and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company and that may result in regulatory or government actions that may negatively impact the Company's business or operations, the Company and its legal counsel evaluate the perceived merits of the legal proceeding or un-asserted claim or action as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to disclose as a contingent liability or when assessing the impact on the carrying value of the Company's assets. A liability is recognized where it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. Contingent assets are not recognized in the Company's consolidated financial statements unless the realization of income is virtually certain.

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents balance of $2,794,435 at December 31, 2018 (December 31, 2017 - $9,174,477) includes $15,447 of cash and cash equivalents denominated in US dollars (December 31, 2017 – $38,697).

6. AMOUNTS RECEIVABLE

Amounts receivable includes goods and services tax receivable of $38,306 at December 31, 2018 (December 31, 2017 - $104,372), consideration receivable of $50,000 related to the sale of the non-core Ontario mineral property interests (see Note 7) and other miscellaneous receivables and are categorized as level 2 in the fair value hierarchy.

7. DISPOSAL OF ONTARIO PROPERTIES

Effective February 8, 2017, the Company sold (the "Sale") URSA, the wholly-owned subsidiary that held the Company's non-core Ontario Properties and the associated liabilities, including the mine reclamation provision for the Shakespeare Property, to a private company (the "Purchaser"). The royalty agreements of the Ontario Properties were assumed by the Purchaser as part of the Sale.

The Sale agreement provided that the Company would receive total cash and/or share consideration equivalent to $200,000 from the Purchaser over the ensuing three years from date of the Sale. The Company received $100,000 during 2017 and $50,000 in 2018 with the remaining $50,000 due on or before December 31, 2019, and is payable in cash or, at the election of the Purchaser, share consideration if the Purchaser is a publicly listed company when the payment is due. In addition, the Company retains a 1.0% NSR royalty interest in the Shakespeare Property, and a 0.5% NSR royalty interest in the other properties.

Based on the cash and share consideration totalling $200,000, net of transaction advisory fees, a loss of $47,808 was recognized in the statement of loss and comprehensive loss during the twelve-month period ended December 31, 2017.

8. IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

In accordance with the Company's accounting policy, long lived assets are reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances may indicate that their carrying amount may exceed their recoverable amount.

The Company initiated a preliminary economic assessment ("PEA") in June 2018 and anticipated its completion during the fall of 2018. On September 25, 2018, the Company announced that, using the information developed in the Phase II Metallurgical Program, the Company estimated that the Nickel Shäw Project's 2017 stated mineral resource tonnage would be reduced by approximately 10% using a nickel price of US$8.25 per pound. The Company also announced it would not be completing the PEA until the emergence of improved financial market conditions and stronger commodity prices, and notionally not until nickel prices settle in the range of at least US$9.00 to US$11.00 per pound. In the interim, the Company will maintain environmental baseline activities, consider optimization alternatives and seek other opportunities.

(Expressed in Canadian dollars, unless otherwise indicated)

Based on the foregoing analysis, the Company determined that the carrying value of Nickel Shäw Project exceeded its recoverable amount and the Company recognized, as of September 30, 2018, an impairment charge of $29.0 million to reduce exploration and evaluation assets to their estimated recoverable amounts using the fair value less costs of disposal ("FVLCD") method. This estimate was based in part on valuing other similar base-metal exploration companies. As circumstances and events have not changed since September 30, 2018, an additional impairment review was not conducted at December 31, 2018.

In the event that the prospects for development of the Nickel Shäw Project are enhanced in the future, an assessment of the recoverable amount of the Nickel Shäw Project will be performed at that time, which may lead to a reversal of part or all of this impairment.

9. EQUIPMENT

		Computer Equipment & Software		Exploration Equipment		Shelter		Leasehold Improvements		**Total**
Cost										
At December 31, 2017 and December 31, 2018	**$**	**182,369**	**$**	**129,762**	**$**	**590,790**	**$**	**40,595**	**$**	**943,516**
Accumulated depreciation										
At December 31, 2017		(156,426)		(38,926)		(328,705)		(20,297)		(544,354)
Depreciation for the year		(25,943)		(18,167)		(52,417)		(9,021)		(105,548)
At December 31, 2018	**$**	**(182,369)**	**$**	**(57,093)**	**$**	**(381,122)**	**$**	**(29,318)**	**$**	**(649,902)**
Net carrying value										
At December 31, 2017	$	25,943	$	90,836	$	262,085	$	20,298	$	399,162
At December 31, 2018	**$**	**-**	**$**	**72,669**	**$**	**209,668**	**$**	**11,277**	**$**	**293,614**

(Expressed in Canadian dollars, unless otherwise indicated)

10. EXPLORATION AND EVALUATION ASSETS

		Nickel Shäw Project
At December 31, 2016	$	45,340,185
Camp and site services		1,598,059
Geology, resource and land		785,732
Drilling		1,586,665
Engineering		1,267,280
Environmental and permitting		1,255,540
First Nations and community		128,000
Expenditures for the year 2017		6,621,276
At December 31, 2017	**$**	**51,961,461**
Camp and site services		188,960
Geology, resource and land		623,401
Engineering		1,103,892
Environmental and permitting		868,223
First Nations and community		98,161
Expenditures for the year 2018		2,882,637
Impairment of exploration and evaluation assets		(29,000,000)
At December 31, 2018	**$**	**25,844,098**

During the year ended December 31, 2018, the Company recognized an impairment charge of $29.0 million to reduce the exploration and evaluation assets at Nickel Shäw Project to their estimated recoverable amount. See Note 8 for additional information.

(a) Nickel Shäw Project, Yukon Territory, Canada

The 100%-owned Nickel Shäw Project is a nickel-copper-PGM project and includes the Wellgreen deposit, and the Arch, Burwash, Formula, Musk and Quill mineral claims and leases.

The Nickel Shäw Project has a 1% net smelter returns royalty on future production from the Wellgreen deposit and the Arch, Burwash and Quill claims (the "Wellgreen NSR Royalty"). The Wellgreen NSR Royalty contains a provision for the Company to pay any Canadian withholding taxes required to be remitted by the holders of the NSR Royalty, and the Company granted a security interest over mineral claims and leases that are subject to the Wellgreen NSR Royalty.

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

		December 31, 2018		December 31, 2017
Trade payable and accrued liabilities	$	202,862	$	389,319
Other liabilities		108,807		518,796
	$	**311,669**	**$**	**908,115**

(Expressed in Canadian dollars, unless otherwise indicated)

Trade payable and accrued liabilities consist of amounts outstanding for trade and other purchases related to exploration and operating activities, and are normally due on 30 to 90 day terms. Other liabilities consist primarily of employee and director related accrued liabilities.

At December 31, 2018, the Company had expended the entire "flow-through" private placement ("FT Placement") proceeds amount of $3.0 million (December 31, 2017 - $2.9 million) raised in August 2017 on qualifying eligible expenditures; hence, the unamortized balance of the flow-through liability balance amounted to $nil at December 31, 2018 (December 31, 2017 - $16,361). During 2018, as per Company policy, $16,361 of income was recorded under other income (2017 - $728,000) in the consolidated statements of loss and comprehensive loss and represents the pro-rata amount spent on qualifying eligible expenditures. See Note 21(b) for additional information.

12. RECLAMATION PROVISION

The Company recognized a provision with respect to reclamation work for the Nickel Shäw Project. The reclamation work primarily consists of dismantling, disposal and hauling costs of the upper and lower camp sites at the property. The Company has estimated a total provision for the reclamation work to be $581,000 at December 31, 2018 (December 31, 2017 - $547,000) based on a total future liability of $693,000 (December 31, 2017 -$578,000), adjusted for inflation, and a discount rate of 1.98% over a time period of 9.0 years, which was the period to expiry of the existing key exploration permits. The reclamation provision was capitalized to the Nickel Shäw Project.

13. SHARE CAPITAL

(a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common voting shares without par value.

The Company is authorized to issue an unlimited number of preferred shares which are without par value, non-voting, and issuable in series with rights and terms of each series to be fixed by the Board of Directors. No preferred shares have been issued and none are outstanding.

(b) August 2017 Private Placement

On August 8, 2017, the Company closed a non-brokered private placement by issuing a total of 33,795,591 units for aggregate gross proceeds of $9.5 million ("Private Placement"). The issuance included 25,120,056 units ("Units") priced at $0.26 per Unit, and 8,675,535 "flow-through" units ("FT Units") priced at $0.3458 per FT Unit. Each Unit and FT Unit is comprised of one common share and one "flow-through" common share, respectively, and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant is exercisable for one common share for a period of five years following closing of the Private Placement at a price of $0.35.

The Company's major shareholders, Electrum Strategic Opportunities Fund L.P. ("Electrum") and Resource Capital Fund VI L.P. ("RCF"), acquired 6,742,271 Units and 8,675,535 FT Units, respectively, under the Private Placement.

(Expressed in Canadian dollars, unless otherwise indicated)

(c) SHARE-BASED COMPENSATION AND WARRANTS

Share-based Compensation

The Company has two equity-based compensation plans: (i) a stock option plan that was approved by the Company's shareholders on November 30, 2012, (the "2012 Option Plan"); and (ii) a share-based compensation plan which was first approved by the Company's shareholders on December 17, 2013, and last amended and approved by the Company's shareholders on June 29, 2017 (the "Share-Based Compensation Plan"). Since the implementation of the Share-Based Compensation Plan, the 2012 Option Plan has remained in force and effect solely to govern the Options previously issued under the 2012 Option Plan. The Share-Based Compensation Plan authorizes the Company's Board of Directors to grant Options, SARs, SARs in tandem with Options, bonus shares, performance share units, DSUs and restricted share units (together the "Awards") to directors, officers, employees and consultants of the Company.

During 2018, share-based compensation related to Options, SARs and DSUs totalled $818,225 (2017 - $553,892). Of the $818,225 recorded during 2018, the amount of $775,640 (2017 - $520,798) was charged to general and administrative expenses, $14,127 (2017- $nil) was recorded to exploration and evaluation expenses and $28,458 (2017 - $33,094) was capitalized to Exploration and Evaluation assets.

(i) Stock Options

The following table summarizes the Options transactions from January 1, 2017 through December 31, 2018:

	Number of Options		Weighted Average Exercise Price
At January 1, 2017	884,000	$	1.16
Forfeited / Expired	(884,000)		1.16
At December 31, 2017	-	$	-
Granted	6,153,000		0.26
At December 31, 2018	**6,153,000**	**$**	**0.26**

At December 31, 2018, there were 6,153,000 (December 31, 2017 – nil) Options outstanding, with a weighted-average exercise price of $0.26 with an expiry date of May 7, 2023 and a weighted-average remaining life of 4.4 years. The following is a summary of the assumptions used in the Black-Scholes value model for Options granted during the year ended December 31, 2018:

	Year Ended December 31,	
	2018	**2017**
Risk-free interest rate	2.1%	n/a
Expected price volatility	77%	n/a
Expected life (years)	3.5	n/a
Annual dividends	0%	n/a
Estimated forfeiture rate	5%	n/a

(ii) Stock Appreciation Rights

The following table summarizes the SARs transactions from January 1, 2017 through December 31, 2018:

(Expressed in Canadian dollars, unless otherwise indicated)

	Number of SARs		Weighted Average Exercise Price
At January 1, 2017	5,210,000	$	0.50
Granted	5,228,090		0.31
Forfeited/Expired	(2,389,340)		0.52
At December 31, 2017	8,048,750	$	0.37
Forfeited/Expired	(537,350)		0.45
At December 31, 2018	**7,511,400**	**$**	**0.36**

The following table summarizes the SARs outstanding at December 31, 2018:

		December 31, 2018	
Expiry Date	**Exercise Price**	**Outstanding**	**Exercisable**
January 15, 2019	0.57	525,000	525,000
February 3, 2020	0.61	305,000	305,000
June 29, 2021	0.40	1,460,000	973,333
August 22, 2021	0.47	200,000	133,333
March 28, 2022	0.32	3,780,495	1,260,165
August 15, 2022	0.28	1,240,905	413,635
		7,511,400	**3,610,466**

At December 31, 2018, the weighted-average remaining useful life of the outstanding SARs was 2.8 years (December 31, 2017 – 3.7 years). The following is a summary of the assumptions used in the Black-Scholes value model for SARs granted during the year ended December 31, 2017:

	Year Ended December 31,	
	2018	**2017**
Risk-free interest rate	n/a	1.0%-1.4%
Expected price volatility	n/a	71%-73%
Expected life (years)	n/a	3.5
Annual dividends	n/a	0%
Estimated forfeiture rate	n/a	0% - 5%

(iii) Deferred Share Units

All directors of the Company elected to receive a portion of director fees earned during the twelve months ended December 31, 2018, totalling $141,504 in the form of DSUs (December 31, 2017 – $87,250). A total of 1,094,391 DSUs were issued during 2018 and measured at the closing share price on the day before grant date. The DSUs are equity-settled and recognized as share-based compensation expense in the statement of loss and comprehensive loss.

(Expressed in Canadian dollars, unless otherwise indicated)

The DSUs were issued pursuant to the terms of the Share-Based Compensation Plan. Subject to the terms and conditions of the Share-Based Compensation Plan, each DSU is redeemable for one common share of the Company. At the sole discretion of the Company, DSU redemption may be settled by cash payment.

At December 31, 2018, there were 1,393,235 DSUs outstanding and exercisable (December 31, 2017 – 298,844).

(iv) Warrants

The following table summarizes the warrant transactions from January 1, 2017 through December 31, 2018:

	Number of Warrants		Weighted Average Exercise Price
At January 1, 2017	92,705,964	$	0.32
Issued	16,897,795		0.35
Expired	(9,145,964)		0.62
At December 31, 2017	100,457,795		0.30
Expired	(13,060,000)		0.40
At December 31, 2018	**87,397,795**	**$**	**0.29**

At December 31, 2018, there were 87,397,795 (December 31, 2017 - 100,457,795) warrants outstanding, with a weighted-average remaining life of 2.6 years (December 31, 2017 – 3.2 years), as follows:

Expiry Date	Exercise Price	December 31, 2018 Outstanding
March 24, 2021	0.27	14,000,000
April 8, 2021	0.27	1,500,000
April 27, 2021	0.27	42,107,464
May 3, 2021	0.27	12,892,536
August 4, 2022	0.35	10,708,194
August 8, 2022	0.35	6,189,601
		87,397,795

14. RELATED PARTY TRANSACTIONS & KEY MANAGEMENT COMPENSATION

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel were recorded at their exchange amounts as agreed upon by transacting parties.

At December 31, 2018, amounts due to related parties totalled $59,822 (December 31, 2017 – $385,692) and related to director fees and business expense reimbursements. The amounts due to related parties are non-interest bearing and are due upon demand.

The compensation paid or payable to key management for services rendered is shown below:

(Expressed in Canadian dollars, unless otherwise indicated)

	Year Ended December 31,			
		2018		2017
Fees to directors	$	128,004	$	227,750
Salaries, wages and severance		1,108,805		1,161,648
Share-based compensation		742,719		490,119
	$	**1,979,528**	**$**	**1,879,517**

During 2018, fees to directors includes consulting fees totalling $37,500 for project related technical advisory services rendered by a director (2017 – $75,000).

See Note 13(b) for a summary of non-controlling shareholder participation in the Company's private placements during the year ended December 31, 2017.

15. EXPLORATION AND EVALUATION EXPENSES

	Year Ended December 31,			
		2018		2017
Consulting and professional fees	$	63,400	$	-
Depreciation		17,646		-
Other		20,204		-
Salaries and wages		70,115		-
Share-based compensation		14,127		-
	$	**185,492**	**$**	**-**

16. FAIR VALUE MEASUREMENTS

IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. When appropriate, the Company adjusts the valuation models to incorporate a measure of credit risk.

The estimated fair values of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and other liabilities, due to related parties, which are all measured at amortized cost, approximate their respective carrying values due to the short-term maturity of these financial instruments. These instruments are categorized as level 2 in the fair value hierarchy.

17. FINANCIAL RISK MANAGEMENT

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents, short-term investments and amounts receivable. The Company places cash and cash equivalents and GIC deposits with reputable financial institutions. The Company does not consider its exposure to credit risk to be significant.

(Expressed in Canadian dollars, unless otherwise indicated)

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk and requirements by maintaining sufficient cash and cash equivalent balances and or through additional financings to ensure that there is sufficient capital in order to meet short-term obligations. At December 31, 2018, the Company has cash and cash equivalents of $2.8 million and financial liabilities of $0.3 million, which have contractual maturities of 90 days or less. The Company will require additional sources of equity, joint venture partnership or debt financing to fund ongoing operations and the exploration and development of its mineral properties. It is not possible to predict, due to many external factors including commodity prices and equity market conditions, as to whether future financing will be successful or available at all.

Foreign Exchange Risk

The Company has operations in Canada and undertakes transactions in Canadian and United States currencies. The Company has very limited exposure to foreign currency risk arising from transactions denominated in a foreign currency. The Company holds cash denominated in United States dollars ("USD"); a 10% strengthening (weakening) of the USD will have an insignificant impact on total assets and loss. The Company currently does not use any foreign exchange contracts to hedge this currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt liabilities. The Company's invests excess cash in investment grade short-term deposit certificates issued by its banking institutions. The Company monitors its cash balances and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

18. SUPPLEMENTAL CASH INFORMATION

	Year Ended December 31,	
	2018	**2017**
Changes in non-cash working capital balances		
Decrease in amounts receivable	$ 79,081	$ 81,496
Decrease in prepaid expenses	7,472	39,684
Decrease in accounts payable and accrued liabilities	(442,373)	(780,168)
Change in working capital balances related to Ontario mineral property interests (Note 7)	-	(52,784)
	$ (355,820)	**$ (711,772)**

19. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

(Expressed in Canadian dollars, unless otherwise indicated)

	Year Ended December 31, 2018	2017
Loss before income taxes	$ (32,996,651)	$ (3,651,222)
Canadian federal and provincial income tax rates	26.5%	26.0%
Income tax recovery based on the above rates	(8,744,113)	(949,318)
Increase (decrease) due to:		
Change in unrecognized deferred tax assets	1,986,897	228,974
Difference in provincial income tax rates	(161,110)	-
Non-deductible (non-taxable) items	6,900,392	(42,386)
Tax benefits renounced to flow-through shareholders	17,934	762,730
Current Tax Expense	**$ -**	**$ -**

The 0.5% increase in the combined federal and provincial income tax rate in 2018 reflects the Ontario provincial tax rate being used in 2018, while the British Columbia provincial tax rate was used in 2017. The change in provincial jurisdiction reflects the increase in salaries and wages incurred during 2018 from operations in the province of Ontario.

Deductible temporary differences for which deferred tax assets have not been recognized:

	Year Ended December 31, 2018	2017
Exploration and evaluation assets	$ 6,398,122	$ 5,614,805
Reclamation and closure liability	156,870	147,690
Non-capital loss carry forwards	7,452,549	6,067,690
Capital losses and other	1,487,433	1,569,850
Share issuance costs	102,838	239,926
	$ 15,597,812	**$ 13,639,961**

In assessing the realizability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

At December 31, 2018, the Company's non-capital losses, for which a tax benefit has not been recorded, expire as follows:

Year	**Amount**
2026	$ 33,000
2027	147,000
2028	57,000
2029	78,000
2030	292,000
2031 - 2038	26,765,000
	$ 27,372,000

(Expressed in Canadian dollars, unless otherwise indicated)

20. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, DSUs, Options, SARs and warrants.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, evaluation, and development of mineral properties, to maintain financial strength including meeting its ongoing liabilities, and to continue as a going concern. The Board of Directors does not establish quantitative returns on capital criteria for management.

The mineral properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favourable terms, if at all, include: share equity and debt financings; equity, debt or property level joint ventures; and sale of interests in existing assets. In order to carry out the planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company’s approach to capital management during the year ended December 31, 2018. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements. The Company’s investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments, all held within major reputable Canadian financial institutions.

21. COMMITMENTS

(a) Exploration Cooperation Agreement

The Company entered into an Exploration Cooperation Agreement in August 2012 with the Kluane First Nation in the Yukon to support Nickel Creek Platinum’s exploration program and environmental studies associated with the development of the Nickel Shäw Project.

(b) Flow-through Financings

Historically, the Company has entered into FT Placements to fund exploration activities, with the most recent FT Placements being in August 2017 and 2014 (two FT Placements). Canadian tax rules require the Company to have spent flow-through funds on “Canadian exploration expenses” (as defined in the Income Tax Act (Canada)) by the end of the calendar year following the year in which they were raised. The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements. At December 31, 2018, the Company had expended the entire August 2017 FT Placement proceeds amount of $3.0 million on Canadian exploration expenses and fulfilled its flow-through spending obligation to spend the $3.0 million by the end of 2018.

The Company may also be subject to interest on flow-through proceeds (“Part XII.6 tax”) renounced under the look-back rules in respect of prior years, and penalties, in accordance with regulations in the Income Tax Act (Canada), if it is determined that flow-through proceeds were not properly or timely spent on Canadian exploration expenses. The Part XII.6 tax is expensed as incurred, as an operating expense.

(Expressed in Canadian dollars, unless otherwise indicated)

(c) Office Lease and Other

The Company has entered into office sublease agreements and contracts for corporate head office equipment.

The Company's activities are subject to various provincial and federal laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are 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 continue to make in the future, filings and expenditures to comply with such laws and regulations.

The following is a summary of the Company's contractual obligations and commitments (net of sub-lease rental income of $177,274) at December 31, 2018:

Year		Amount
< 1 year	$	207,503
1- 3 years		111,123
3-5 years		5,124
> 5 years		28,182
	$	**351,932**

22. CONTINGENCIES

The Company accrues for liabilities when it is probable and the amount can be reasonably estimated.

The Company is reviewing a potential financial liability for the reclamation of land related to mining conducted on or near the Wellgreen deposit in the 1970's, prior to the Company's acquisition of the property. The Company has entered into a preliminary cooperative working arrangement with the Yukon Government and the third party involved in the prior operation of the property, to assess the reclamation work that will need to be conducted. The financial effect and timing of the reclamation work is indeterminable at this time. Once the assessment is completed and a contractual agreement is entered into, a portion of the financial cost for reclamation may be incurred by the Company. As such, no provision has been recognized.

The Company may be involved in legal proceedings from time to time arising in the ordinary course of its business. Based on the Company's knowledge and assessment of events at December 31, 2018, the Company does not believe that the outcome of any of the matters not recorded in the consolidated financial statements, individually or in aggregate, would have a material adverse effect.