STAKEHOLDER GOLD CORP.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Stakeholder Gold Corp.:

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $706,861 during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceeded its total assets by $288,947. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits 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 on this other information, 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 Financial Statements

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

In preparing the 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.

MNP LLP

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario | Chartered Professional Accountants

April 29, 2019 | Licensed Public Accountants

MNP LLP

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

	As at December 31, 2018	As at December 31, 2017
ASSETS		
Current assets		
Cash (note 6)	**$ 7,079**	$ 767,686
Restricted cash (note 6)	**-**	24,294
Receivables	**25,979**	26,850
Prepaid expense	**1,139**	18,295
Total assets	**$ 34,197**	$ 837,125
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	**$ 323,144**	$ 613,664
Total current liabilities	**323,144**	613,664
Equity		
Share capital (note 8)	**10,517,903**	10,334,620
Contributed surplus (notes 9 and 10)	**3,249,965**	3,238,795
Deficit	**(14,056,815)**	(13,349,954)
Total equity	**(288,947)**	223,461
Total equity and liabilities	**$ 34,197**	$ 837,125

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

Nature of operations and going concern (note 1)
Subsequent events (note 14)

Approved on behalf of the Board:

"Marcus Chase", Director

"Chris Berlet", Director

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating expenses		
Management and consulting (note 11)	**$ 179,567**	$ 484,280
Investor and shareholder relations	**125,163**	252,544
Professional fees	**40,610**	62,986
General and administrative	**67,711**	79,466
Exploration and evaluation costs (notes 7 and 11)	**293,810**	1,070,046
Share-based payments (note 9)	**-**	318,918
Total operating expenses	**706,861**	2,268,240
Loss before interest income	**(706,861)**	(2,268,240)
Interest income	**-**	1,247
Net loss and comprehensive loss for the year	**$ (706,861)**	$ (2,266,993)
Basic and diluted net loss per share (note 12)	**$ (0.03)**	$ (0.11)
Weighted average number of common shares outstanding	**23,930,695**	20,671,284

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

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities		
Net loss for the year	**$ (706,861)**	$ (2,266,993)
Adjustments for:		
Interest income	**-**	(1,247)
Share-based payments (note 9)	**-**	318,918
Shares issued for property (note 8 (v))	**-**	437,500
Shares issued for services (notes 8(iv), (vi)	**-**	178,500
Changes in non-cash working capital items:		
Receivables and prepaid expenses	**18,027**	56,663
Restricted cash	**24,294**	(38)
Accounts payable and accrued liabilities	**(290,520)**	431,560
Net cash used in operating activities	**(955,060)**	(845,137)
Investing activities		
Interest income	**-**	1,247
Net cash provided by investing activities	**-**	1,247
Financing activities		
Proceeds from issuance of common shares, net of issuance costs	**175,500**	579,861
Proceeds from share-based payment exercised	**25,000**	-
Cost of share issuance	**(6,047)**	-
Net cash provided by financing activities	**194,453**	579,861
Net change in cash	**(760,607)**	264,029
Cash, beginning of year	**767,686**	1,031,715
Cash, end of year	**$ 7,079**	$ 767,686

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

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

	Number of Shares #	Share Capital $	Contributed Surplus $	Deficit $	Total $
Balance, December 31, 2016	19,438,662	9,336,559	2,722,077	(11,082,961)	975,675
Issuance of shares for property (notes 8(b)(v))	2,400,000	382,061	197,800		579,861
Issuance of shares for property (notes 8(b)(v))	1,250,000	437,500			437,500
Shares issued for services (note 8(b)(iv)(vi))	500,000	178,500			178,500
Share-based payments (note 9)			318,918		318,918
Net loss for the year				(2,266,993)	(2,266,993)
Balance, December 31, 2017	23,588,662	10,334,620	3,238,795	(13,349,954)	223,461
Issuance of units (note 8(b)(i)(ii)(iii))	2,302,000	136,400	39,100		175,500
Stock options Exercised (note 9)	100,000	52,930	(27,930)		25,000
Share issuance cost		(6,047)			(6,047)
Net (loss) for the year				(706,861)	(706,861)
Balance, December 31, 2018	**25,990,662**	**10,517,903**	**3,249,965**	**(14,056,815)**	**(288,947)**

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

1. Nature of operations and going concern

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

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

Going concern

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

The Company does not currently generate revenue from operations. The Company incurred net losses in previous periods, with a current net loss of $706,861 for the year ended December 31, 2018 (year ended December 31, 2017 - loss of $2,266,993) and had an accumulated deficit of $14,056,815 as at December 31, 2018 (December 31, 2017 - $13,349,954). The Company had working capital deficit of $288,947 at December 31, 2018 (December 31, 2017 – Surplus $223,461). There is uncertainty as to whether the Company will be able to meet its committed exploration expenditures for its exploration and evaluation assets and to meet its corporate administrative expenses for the next 12 months without additional financing.

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

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

2. Basis of presentation

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

These financial statements were authorized for issue by the Board of Directors on April 29, 2019.

3. Significant accounting policies

Basis of measurement

These financial statements have been prepared on a historical cost basis.

Foreign currency transactions

The functional currency of the Company is the Canadian dollar**.** The financial statements are presented in Canadian dollars, unless otherwise indicated.

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

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss for the period. Cash is included in this category of financial assets.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, other than those at FVTPL, are subject to review for impairment at each reporting date. Financial assets are considered impaired when there is objective evidence that a financial asset or a group of financial assets may not be recoverable. Different criteria to determine impairment are applied for each category of financial assets, which are disclosed above.

Amortized Cost -This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

Financial assets at fair value through other comprehensive income **-** Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in profit or loss for the period.

Other financial liabilities - This category includes accounts payable and accrued liabilities. They are carried in the consolidated statements of financial position at the value on the transaction date.

Exploration and evaluation activities

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

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

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

Income taxes

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

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

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

3. Significant accounting policies (continued)

Share capital

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

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

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a corresponding premium amount into other income. A deferred tax liability for the amount of tax reduction renounced to the shareholders is recognized on a retrospective basis.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Comprehensive income (loss)

Comprehensive income (loss) includes net earnings (loss) and other comprehensive income (loss).

Share-based payments

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

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

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

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

3. Significant accounting policies (continued)

Share-based payments (continued)

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

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

Provisions

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

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

The Company had no material provisions as at December 31, 2018 or December 31, 2017

Rehabilitation provisions

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

The Company had no material rehabilitation obligations as at December 31, 2018 or December 31, 2017.

3. Significant accounting policies (continued)

Basic and diluted loss per share

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

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. During the year ended December 31, 2018, the calculation of basic and diluted loss per share did not include the effect of all potentially dilutive instruments outstanding as they are anti-dilutive.

Critical accounting estimates and judgments

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

Judgments

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

Going concern

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

Estimates

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

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

Provisions and contingencies

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

3. Significant accounting policies (continued)

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

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

4. Capital risk management

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the year ended December 31, 2018. Stakeholder is not subject to externally imposed capital requirements.

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

5. Financial instruments and risk management

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

- Market Risk
- Liquidity Risk
- Credit Risk

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

(Expressed in Canadian Dollars)

5. Financial instruments and risk management (continued)

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

General objectives, policies and processes:

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

Market risk

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

Interest rate risk

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

Commodity price risk

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

Liquidity risk

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

At December 31, 2018, Stakeholder had a cash balance of $7,079 (2017 - $767,686) and current liabilities of $323,144 (2017 – $613,664). As outlined in Note 1, the Company will be required to obtain additional financing for working capital and continued exploration and development of its properties.

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

	Due within (as of December 31, 2018)				
	1 year	**2 Years**	**3 Years**	**Over 4 Years**	**Total**
Accounts payable and accrued liabilities	$ 323,144	$ -	$ -	$ -	$ 323,144

(Expressed in Canadian Dollars)

5. Financial instruments and risk management (continued)

	Due within (as of December 31, 2017)				
	1 year	2 Years	3 Years	Over 4 Years	Total
Accounts payable and accrued liabilities	$ 613,664	$ -	$ -	$ -	$ 613,664

<u>Credit risk</u>

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

6. Cash and restricted cash

Cash at banks and on hand earn interest at floating interest rates based on daily deposit rates. The Company had no cash equivalents at December 31, 2018 or December 31, 2017.

As at December 31, 2018, Stakeholder's restricted cash balance of $nil (2017 – $24,294) related to guaranteed investment certificates securing the Company's corporate credit card.

7. Exploration and evaluation assets

Ballarat Property

The Ballarat exploration project is wholly owned by the Company and is located in the White Gold District of the Yukon Territory. The property consists of 356 claims comprising of 7,200 hectares and is located upstream of the Ballarat Creek placer mining operations.

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

Goldstorm Property

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

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

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

7. Exploration and evaluation assets (continued)

"Option A" required Stakeholder to:

(a) issue to MVG additional 1,250,000 shares on the 9 month anniversary of the date of this Agreement; and

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

"Option B" requires Stakeholder to:

(a) issue to MVG additional 1,250,000 shares as soon as practical upon receipt of the assay results for the first 4 drill holes with respect to the Project;

(b) incur expenditures on the Project of not less than USD$350,000, on a best efforts basis, in the 2017 calendar year (incurred); and

(c) incur expenditures on the Project of not less than USD$750,000 (inclusive of the expenditures outlined in (b) above), of which at least USD$700,000 shall be qualifying expenditures, within 18 months of the Effective Date, and in the event USD$750,000 of expenditures is not incurred within eighteen 18 months of the Effective Date, then by Stakeholder making a payment to the MVG on the 18 month anniversary of the Effective Date of an amount equal to the balance of the USD$750,000 of expenditures that were not incurred by Stakeholder prior to the 18 month anniversary of the Effective Date.

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

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

Goldstorm Property (continued)

On September 22, 2018, the Company entered into an amending agreement with MVG that extended the first 40% earn-in date until September 22, 2019. Under the terms of the amending agreement, the Company is required to perform the following:

(i) Make payment on existing earn-in payables prior to December 30, 2018. As of the date of the amending agreement USD $132,476 of payables is outstanding.

(ii) Issue 1,250,000 shares prior to June 30, 2019 to MVG

(iii) Incur the remaining first 40% Earn-In expenditures prior to September 22, 2019.

On December 31, 2018, the contract with MVG was terminated due to non-compliance with the terms of the amended agreement dated September 22, 2018.

Exploration and evaluation activities for the years ended December 31, 2018 and December 31, 2017 are as follows:

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

		Ballarat		Goldstorm
Balance at December 31, 2016	$	782,614	$	-
Shares issued pursuant to agreement		-		437,500
Option payments		-		54,828
Expenditure		-		535,179
Balance at December 31, 2017		782,614		1,027,507
Expenditure		-		293,810
Cumulative exploration costs at December 31, 2018	**$**	**782,614**	**$**	**1,321,317**

8. Share capital

a) Authorized share capital

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

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2016	**19,438,662**	**$ 9,336,559**
Shares issued for service (i)(iii)	500,000	178,500
Shares issued for property (ii)	1,250,000	437,500
Private placement (iv)	2,400,000	382,061
Balance, December 31, 2017	**23,588,662**	**$ 10,334,620**
Exercise of stock options	100,000	52,930
Private placement (v)	302,000	60,400
Private placement (vi)	2,000,000	76,000
Share issuance costs	-	(6,047)
Balance, December 31, 2018	**25,990,662**	**$ 10,517,903**

8. Share capital

b) Common shares issued.

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

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

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

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

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

(v) On May 25, 2018, the Company closed a non-brokered private placement with proceeds of $75,500 comprised of 302,000 units. Each unit comprised of one common share and one-half warrant. Each warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.50 per share for a period expiring on May 25, 2020.

The net proceeds were allocated to the equity components on a relative fair value basis with $60,400 (80%) attributed to the shares and $15,100 (20%) attributed to the warrants. The warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 127%, risk free interest of 1.92% and an expected life of 2 years.

(vi) On December 20, 2018, the Company closed a non-brokered private placement with proceeds of $100,000 comprised of 2,000,000 units. Each unit comprised of one common share and one full warrant. Each warrant entitles the holder to purchase one additional common share of Stakeholder at a price of $0.10 per share for a period expiring on December 20, 2020.

The net proceeds were allocated to the equity components on a relative fair value basis with $76,000 (76%) attributed to the shares and $24,000 (24%) attributed to the warrants. The warrants were valued using the Black-Scholes Option Pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 142%, risk free interest of 1.91% and an expected life of 2 years.

9. Share-based payments

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

(Expressed in Canadian Dollars)

9. Share-based payments (continued)

	Number of stock options		Weighted average exercise price
Balance, December 31, 2016	1,710,000	$	0.65
Issued (i)	1,000,000		0.32
Expired	(360,000)		0.86
Balance, December 31, 2017	2,350,000	$	0.50
Exercised	(100,000)		0.25
Expired	(210,000)		1.93
Balance, December 31, 2018	**2,040,000**	**$**	**0.36**

(i) On December 21, 2017, Stakeholder granted 1,000,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.32 for a period of 3 years from the date of issuance. The options vested immediately. The estimated fair value of the options at the grant date was $318,918 using the Black-Scholes option pricing model. The estimated fair value of the options has been charged to the statements of loss and comprehensive loss and credited to share-based payments in the shareholders' equity. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: dividend yield 0%, expected volatility of 193%, risk free rate of return of 1.72% and an expected life of 3 years. For the year ended December 31, 2018 $nil (December 31, 2017 - $318,918) was expensed to option-based payments.

The following table reflects the actual stock options issued and outstanding as of December 31, 2018:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
January 31, 2019	0.50	0.08	40,000	40,000
March 28, 2019	0.25	0.24	600,000	600,000
October 3, 2019	0.61	0.76	400,000	400,000
December 21, 2020	0.32	1.98	1,000,000	1,000,000
	0.36	1.19	2,040,000	2,040,000

(Expressed in Canadian Dollars)

10. Warrants

	Number of warrants	Weighted average exercise price
Balance, December 31, 2016	2,117,805	$ 0.72
Issued (note 8(b)(iv)	1,420,000	0.46
Balance, December 31, 2017	3,537,805	$ 0.61
Issued (note 8(b)(v))	151,010	0.50
Issued (note 8(b)(vi))	2,000,000	0.10
Expired	(2,117,805)	0.43
Balance, December 31, 2018	**3,571,010**	**$ 0.26**

The following table reflects the actual warrants issued and outstanding as of December 31, 2018:

Expiry date	Number of warrants	Grant date value ($)	Exercise price ($)
December 21, 2019	1,200,000	136,340	0.50
December 21, 2019	220,000	61,165	0.25
May 25, 2020	151,010	17,954	0.50
December 20, 2020	2,000,000	88,400	0.10
	3,571,010	303,860	0.26

11. Related party transactions

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

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

		Year Ended December 31, 2018	2017
Canuc Resources Corporation	(i)	**$ 13,952**	$ 13,670
Maru Energy Ltd	(ii)	**$ 6,166**	$ -
Full Circle Energy Ltd.	(iii)	**$ 1,000**	$ -

(i) For the year ended December 31, 2018, the Company expensed $13,952 (year ended December 31, 2017 - $13,670) to Canuc, a corporation with a common director and officer, for rent. As at December 31, 2018, Canuc was owed $20,589 (December 31, 2017 - $nil).

(ii) For the year ended December 31, 2018, Maru Energy Ltd, a corporation with a common director and officer advanced the Company $1,500 as a non-interest-bearing loan. Maru Energy Ltd also paid $4,166 of compensation expense on behalf of the Company. As of December 31, 2018, Maru Energy is owed $6,166 (December 31, 2017 - $nil).

(Expressed in Canadian Dollars)

11. Related party transactions (continued)

(iii) For the year ended December 31, 2018, Full Circle Energy Ltd, a subsidiary of a corporation with a common director and officer, advanced the Company $1,000 as a non-interest-bearing loan. As of December 31, 2018, Full Circle Energy is owed $1,000 (December 31, 2017 - $nil).

(iv) As at December 31, 2018, the amount of $90,414 was included in accounts payable and accrued liabilities to a company with a common director (December 31, 2017 - $90,414).

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

		Year Ended December 31, 2018	2017
Remuneration paid to CEO and President	(iv)	**$ 120,000**	$ 120,000
Remuneration paid to VP Exploration	(v)	**2,600**	16,425
Remuneration paid to CFO	(vi)	**38,581**	48,300
Remuneration paid to CFO	(vii)	**7,084**	1,450
Directors fees		**-**	-
Share-based payments (Black-Scholes value)		**-**	153,080

(v) For the year ended December 31, 2018, compensation of $120,000 (year ended December 31, 2017 - $120,000) were paid to a related company controlled by the CEO and President. The compensation is included in management and consulting expenses and exploration and evaluation costs. As at December 31, 2018, the Company was owed $nil (December 31, 2017 - $99).

(v) For the year ended December 31, 2018, the Company expensed in exploration and evaluation costs $2,600 (year ended December 31, 2017 - $16,425) to the Vice President Exploration. As at December 31, 2018, the Company was owed $nil (December 31, 2017 - $nil).

(vi) For the year ended December 31, 2018, the Company expensed $38,581 (year ended December 31, 2017 - $48,300) as remuneration paid as CFO. As at December 31, 2018, the Company was owed $nil (December 31, 2017 - $nil).

(vii) For the year ended December 31, 2018, the Company expensed $7,084 (year ended December 31, 2017 - $nil) to Marrelli Support Services Inc. as remuneration paid for CFO services. As at December 31, 2018, the Company was owed $nil (December 31, 2017 - $1,638).

12. Loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2018 was based on the loss attributable to common shareholders of $706,861 (year ended December 31, 2017 - $2,266,993) and the weighted average number of common shares outstanding of 23,930,685 for the year ended December 31, 2018 (year ended December 31, 2017 – 20,671,284). Diluted loss per share did not include the effect of 2,040,000 options and 3,571,010 warrants outstanding as their effect is anti-dilutive.

(Expressed in Canadian Dollars)

13. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2017 - 26.5%) to the effective tax rate is as follows:

	Year Ended December 31, 2018 $	2017 $
(Loss) for the year before income taxes	**(706,861)**	**(2,266,993)**
Expected income taxes (recovery)	**(178,971)**	(600,740)
Adjustment to expected income tax benefit		
Non-deductible expenses	**456**	81,460
Change in tax benefits not recognized	**178,515**	519,280
Deferred income tax provision (recovery)	**-**	-

Unrecognized temporary differences:

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

	2018 $	2017 $
Non-capital losses carried forward	**4,307,670**	3,860,160
Exploration and evaluation assets	**6,566,460**	6,273,820
Share issue costs	**146,180**	212,640
Investment tax credits	**52,200**	52,200
Property, Plant and Equipment	**8,520**	8,520
Unrecognized temporary differences	**11,081,030**	10,407,340

The non-capital losses carried forward expire as noted in the table below.
Share issue and financing costs will be fully deducted by 2022
The Company's non-capital income tax losses expire as follows:

2031	$	205,510
2032		329,670
2033		296,100
2034		753,730
2035		472,190
2036		863,340
2037		929,620
2038		457,460
		$4,307,620

14. Subsequent events

On February 12, 2019, the Company settled an account payable balance of $90,414 for $50,000.

On March 1, 2019, the Company announced the closing of a private placement for gross proceeds of $150,000. The closing of this Private Placement resulted in the issuance of 3,000,000 common shares and 3,000,000 warrants. Each warrant entitles the holder to purchase one common share of the Company at $0.10 for a period of two years from the date of the closing.