Blue Sky Uranium Corp.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

Crowe MacKay LLP
Member Crowe Horwath International
1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5
+1.604.687.4511 Tel
+1.604.687.5805 Fax
+1.800.351.0426 Toll Free
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of
Blue Sky Uranium Corp

We have audited the accompanying consolidated financial statements of Blue Sky Uranium Corp and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, and the consolidated statements of loss and comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Blue Sky Uranium Corp and its subsidiaries as at December 31, 2017 and December 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the material uncertainties that may cast significant doubt about the ability of Blue Sky Uranium Corp to continue as a going concern.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, British Columbia
April 17, 2018

Blue Sky Uranium Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2017 $	December 31, 2016 $
ASSETS			
Current assets			
Cash		742,363	1,478,284
Accounts receivable		15,314	6,352
Prepaid expenses		211,979	196,929
Total current assets		969,656	1,681,565
Non-current assets			
Equipment	3	3,277	6,852
Mineral property interests	4	54,243	32,702
Total non-current assets		57,520	39,554
Total Assets		1,027,176	1,721,119
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		613,606	180,676
Exploration liabilities		-	44,855
Total Liabilities		613,606	225,531
EQUITY			
Share capital	5	25,067,911	21,193,429
Reserves	5	5,399,265	5,554,915
Deficit		(30,053,606)	(25,252,756)
Total Equity		413,570	1,495,588
Total Equity and Liabilities		1,027,176	1,721,119

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 10)

SUBSEQUENT EVENTS (Note 13)

These consolidated financial statements are authorized for issue by the Board of Directors on April 17, 2018. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"David Terry" , Director

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

Blue Sky Uranium Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2017 $	2016 $
Expenses			
Accounting and audit		28,360	8,160
Corporate development and investor relations		697,178	128,090
Depreciation	3	3,575	298
Exploration	4	3,541,897	746,558
Foreign exchange gain		(36,605)	(33,076)
Management fees	6	145,100	62,100
Office and sundry	6	61,327	17,978
Professional fees	6	101,890	109,614
Rent, parking and storage		12,302	-
Salaries and employee benefits	6	124,000	126,200
Share-based compensation		45,315	38,625
Transfer agent and regulatory fees		41,380	82,424
Travel		35,075	4,134
Loss from operating activities		4,800,794	1,291,105
Finance expenses	6	-	19,200
Gain on debt settlement		(8,400)	-
Interest expense	6	-	20,822
Interest income		(6,394)	(2,123)
Reversal of impairment of mineral property interests	4	(17,852)	-
Impairment of mineral property interests	4	32,702	-
Loss and comprehensive loss for the year		4,800,850	1,329,004
Basic and diluted loss per common share	7	0.08	0.06

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

Blue Sky Uranium Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2017 $	2016 $
Cash flows used in operating activities		
Loss for the year	(4,800,850)	(1,329,004)
Depreciation	3,575	298
Finance expenses	-	19,200
Gain on debt settlement	(8,400)	-
Interest expense	-	20,822
Share-based compensation	45,315	38,625
Reversal of impairment of mineral property interests	(17,852)	-
Impairment of mineral property interests	32,702	-
	(4,745,510)	(1,250,059)
Change in non-cash working capital items:		
(Increase) decrease in accounts receivable	(8,962)	5,177
(Increase) in prepaid expenses	(15,050)	(193,158)
Increase (decrease) in accounts payable and accrued liabilities	441,330	(184,795)
(Decrease) in exploration advances	(44,855)	-
Net cash used in operating activities	(4,373,047)	(1,622,835)
Cash flow used in investing activities		
Expenditures on mineral property interests	(36,391)	(7,150)
Net cash used in investing activities	(36,391)	(7,150)
Cash flows from financing activities		
Issuance of common shares and warrants	1,128,613	3,488,767
Share issue costs	(29,636)	(25,354)
Warrants exercised	2,574,540	32,050
Loans received	-	96,000
Repayment of loans payable	-	(429,000)
Interest paid	-	(59,335)
Net cash from financing activities	3,673,517	3,103,128
Net (decrease) increase in cash	(735,921)	1,473,143
Cash at beginning of year	1,478,284	5,141
Cash at end of year	742,363	1,478,284

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

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

Blue Sky Uranium Corp.

Consolidated Statements of Changes in Equity (Deficit)

(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of Shares	Amount $	Contributed Surplus $	Equity Settled Share-based Payments $	Warrants $	Accumulated Deficit $	Total $
Balance at December 31, 2015	3,436,699	19,137,576	3,715,373	203,278	158,029	(23,923,752)	(709,496)
Private placements	42,246,755	2,141,846	-	-	1,346,921	-	3,488,767
Share issue costs	-	(124,503)	-	-	-	-	(124,503)
Agent warrants granted	-	-	-	-	99,149	-	99,149
Share-based compensation	-	-	-	38,625	-	-	38,625
Stock options expired	-	-	112,235	(112,235)	-	-	-
Warrants and agents' warrants expired	-	-	158,029	-	(158,029)	-	-
Warrants exercised	320,500	38,510	-	-	(6,460)	-	32,050
Comprehensive loss for the year	-	-	-	-	-	(1,329,004)	(1,329,004)
Balance at December 31, 2016	46,003,954	21,193,429	3,985,637	129,668	1,439,610	(25,252,756)	1,495,588
Private placements	5,940,064	817,650	-	-	310,963	-	1,128,613
Share issue costs	-	(44,467)	-	-	-	-	(44,467)
Agent warrants granted	-	-	-	-	14,831	-	14,831
Stock options cancelled/expired	-	-	122,779	(122,779)	-	-	-
Share-based compensation	-	-	-	45,315	-	-	45,315
Warrants exercised	25,745,400	3,101,299	-	-	(526,759)	-	2,574,540
Warrants and agents' warrants expired	-	-	283,436	-	(283,436)	-	-
Return stock to treasury	(65,789)	-	-	-	-	-	-
Comprehensive loss for the year	-	-	-	-	-	(4,800,850)	(4,800,850)
Balance at December 31, 2017	77,623,629	25,067,911	4,391,852	52,204	955,209	(30,053,606)	413,570

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering (the "Offering") and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction (the "QT") and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to consolidated financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of $30,053,606 and shareholders' equity of $413,570 at December 31, 2017. In addition, the Company has working capital of $356,050 at December 31, 2017 and negative cash flow from operating activities of $4,373,047. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These audited consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's audited consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee, effective for the Company's reporting for the year ended December 31, 2017. These consolidated financial statements were approved by the Board of Directors of the Company on April 17, 2018.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Blue Sky BVI Uranium Corp.	British Virgin Islands	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Foreign currencies

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-derivative financial assets

(i) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as fair value through profit or loss if they are classified as held for trading or are designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. As at December 31, 2017 and 2016, the Company has not classified any assets as FVTPL.

(ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and accounts receivable.

Non-derivative financial liabilities

(i) Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. As at December 31, 2017 and 2016, the Company has not classified any financial liabilities as FVTPL.

(ii) Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Other financial liabilities comprise accounts payable and accrued liabilities, and exploration liabilities.

Equipment

Equipment is recorded at cost less accumulated depreciation calculated using the straight-line method over its estimated useful lives of two years for computer equipment. Depreciation of an asset begins once it is available for use.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration, Evaluation and Development Expenditures

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

Proceeds received for farm-out arrangements or recoveries of costs are credited against the cost of the related claims. The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment. Mineral property interests are classified as intangible assets.

Cash and Cash Equivalents

Cash and cash equivalents are classified as loans and receivables and include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit ratings.

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the period.

In addition, at the end of each reporting period the Company reviews whether there is any indication that a previously recorded impairment should be reversed. If the recoverable amount of an asset is estimated to be greater than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the previous impairment loss is reversed in the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Valuation of equity units issued in private placements

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in warrant reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Payment Transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for stock options and warrants that have expired are transferred to contributed surplus. Charges for stock options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development 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, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects 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 the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss. The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date are minimal.

Loss per Share

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

Income Taxes

Income tax on the profit or loss for the periods 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 financial position reporting date applicable to the period of expected realization or settlement.

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.

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

1. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment or a reversal of previously recorded impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Critical accounting judgments

i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained

Changes in Accounting Standards

The Company has adopted these accounting standards effective January 1, 2017. The adoption of these accounting standards had no significant impact on the consolidated financial statements. These standards are:

Amendments to IAS 7 *Statement of Cash Flows*

New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. In July 2014 IFRS 9, Financial Instruments ("IFRS 9") was issued. The completed standard provides revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. This final version of IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration

This interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. It covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. This interpretation is effective for reporting periods beginning on or after January 1, 2018. IFRIC 22 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

(Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to IFRS 2 – Share-based Payments

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. These amendments are effective for reporting periods beginning on or after January 1, 2018. Amendments to IFRS 2 are not expected to have a material impact on amounts recorded in the financial statements of the Company.

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

3. EQUIPMENT

	Computer Equipment $	Total $
Cost		
Balance at December 31, 2015	-	-
Additions	7,150	7,150
Balance at December 31, 2016 and 2017	7,150	7,150
Accumulated Depreciation		
Balance at December 31, 2015	-	-
Depreciation	298	298
Balance at December 31, 2016	298	298
Depreciation	3,575	3,575
Balance at December 31, 2017	3,873	3,873
Carrying Amount		
At December 31, 2016	6,852	6,852
At December 31, 2017	3,277	3,277

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. MINERAL PROPERTY INTERESTS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company holds title to and is continuing to explore as at December 31, 2017:

Acquisition Costs

	Argentina			
	Ivana $	**Sierra Colonia** $	**Other** $	**Total** $
Balance – December 31, 2015 and 2016	-	32,702	-	32,702
Additions	11,391	-	25,000	36,391
Impairment	-	(32,702)	-	(32,702)
Reversal of impairment	17,852	-	-	17,852
Balance – December 31, 2017	29,243	-	25,000	54,243

Ivana Property

The Company owns a 100% interest in the 838 km^2 Ivana uranium property in the San Jorge Basin, Province of Rio Negro, located in the Northern Patagonia region of Argentina.

During the year ended December 31, 2017, the Company determined that indicators suggesting that the carrying value of the project is recoverable and reversed a previously recorded impairment of $17,852 in acquisition costs related to the property. The Company previously impaired the Ivana project due to significant curtailment of activity. During the year ended December 31, 2017, the Company resumed exploration activity on the project, which removed the impairment indicators.

Regalo Property

The Company owns a 100% interest in the 233 km^2 Regalo property located northwest of the Cerro Solo Uranium District in the province of Chubut Argentina. During the year ended December 31, 2017, the Company paid $25,000 in acquisition costs.

Sierra Colonia Property

The Company owns a 100% interest in the 399 km^2 Sierra Colonia property in the central part of the province of Chubut, Argentina.

During the year ended December 31, 2017, the Company determined that it would not be exploring the Sierra Colonia property further in 2018 and impaired $32,702 in acquisition costs.

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina					
	Amarillo Grande					
	Santa Barbara $	Anit $	Ivana $	Sierra Colonia $	Other $	Total $
Cumulative exploration costs December 31, 2016	1,232,231	3,853,705	3,580,382	907,899	-	9,574,217
Expenditures during the year:						
Assays	200	62,696	170,412	-	-	233,308
Drilling	181,856	167,475	1,002,193	-	-	1,351,524
Geophysics	-	-	66,147	-	-	66,147
Office	11,500	17,546	72,695	-	4,235	105,976
Property maintenance payments	34,234	37,428	59,419	392	1,891	133,364
Resource modelling	-	4,558	-	-	-	4,558
Salaries and contractors	69,780	96,795	579,849	-	3,305	749,729
Social and community	1,748	2,648	12,321	-	-	16,717
Statutory taxes	46,075	70,333	307,685	63	1,287	425,443
Supplies and equipment	18,528	81,897	145,449	-	-	245,874
Travel	19,665	44,156	145,366	70	-	209,257
	383,586	585,532	2,561,536	525	10,718	3,541,897
Cumulative exploration costs December 31, 2017	1,615,817	4,439,237	6,141,918	908,424	10,718	13,116,114

	Argentina				
	Amarillo Grande				
	Santa Barbara $	Anit $	Ivana $	Sierra Colonia $	Total $
Cumulative exploration costs December 31, 2015	964,017	3,663,595	3,299,168	900,879	8,827,659
Expenditures during the year:					
Assays	-	-	1,435	-	1,435
Office	18,413	18,780	35,840	667	73,700
Property maintenance payments	170,757	66,893	87,370	5,395	330,415
Geophysics	22,314	35,298	22,991	-	80,603
Salaries and contractors	38,445	48,424	94,066	562	181,497
Statutory taxes	14,456	10,247	15,157	378	40,238
Supplies and equipment	1,171	2,478	6,823	-	10,472
Travel	2,658	7,990	17,532	18	28,198
	268,214	190,110	281,214	7,020	746,558
Cumulative exploration costs December 31, 2016	1,232,231	3,853,705	3,580,382	907,899	9,574,217

5. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprises an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2017

On December 19, 2017, the Company a non-brokered private placement financing of 5,940,064 units at a price of $0.19 per unit for gross proceeds of $1,128,613. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.30 per share for one year from the date of issue, expiring on December 19, 2018. The Company is entitled to accelerate the expiry date of the warrants if the five-day volume weighted average stock price of the Company trades $0.50 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day after the date of delivery of the notice. Finders' fees were paid of $29,636 cash and 155,978 non-transferable warrants exercisable into common shares at $0.30 for one year from the date of issue subject to the accelerated exercise provisions as set out above. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 1.58%; expected stock price volatility – 115.30%; dividend yield – 0%; and expected warrant life – 0.96 years.

During the year ended December 31, 2017, 25,745,400 warrants were exercised for gross proceeds of $2,574,540.

Details of Issues of Common Shares in 2016

On July 5, 2016, the Company closed a non-brokered private placement financing of 38,000,000 units at a price of $0.05 per unit for gross proceeds of $1,900,000. Each unit consists of one common share and one transferrable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.10 per share for one year from the date of issue of the warrant. The units bear a legend for automatic timed release free trading in three installments: (1) 15% of the units four months from the issue; (2) 35% of the units six months from issue; and (3) 50% of the units ten months from the issue. The Company is entitled to accelerate the expiry date of the warrants if the 10-day volume weighted average stock price of the Company trades $0.25 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Finder's fees were $17,982 in cash and 378,000 non-transferable warrants exercisable into common shares at $0.10 for one year from the date of issue subject to the same legend for automatic timed release free trading and accelerated exercise provisions as set out above. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.49%; expected stock price volatility – 184.49%; dividend yield – 0%; and expected warrant life – 0.577 years.

On September 19, 2016, the Company completed a non-brokered private placement financing of 4,246,755 units at a price of $0.38 per unit for gross proceeds of $1,613,767. Each unit consists of one common share and one transferrable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.50 per share for two years from the date of issue of the warrant. The Company is entitled to accelerate the expiry date of the warrants if the 10-day volume weighted average stock price of the Company trades $0.80 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day. Finder's fees were $7,372 in cash and 141,386 non-transferable warrants exercisable into common shares at $0.50 for two years from the date of issue. Fair value was calculated using the following Black-Scholes pricing model variables: risk-free interest rate – 0.58%; expected stock price volatility – 175.04%; dividend yield – 0%; and expected warrant life – 0.705 years.

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. SHARE CAPITAL AND RESERVES (continued)

During the year ended December 31, 2016, 320,500 warrants were exercised for gross proceeds of $32,050.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

Options

The continuity of share purchase options for the year ended December 31, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ Cancelled	December 31, 2017	Options Exercisable
September 24, 2017	$1.20	93,500	-	-	(93,500)	-	-
November 17, 2018	$0.25	300,000	-	-	-	300,000	300,000
March 9, 2020	$0.30	-	250,000	-	(250,000)	-	-
		393,500	250,000	-	(343,500)	300,000	300,000
Weighted average exercise price ($)		0.48	0.30	-	0.54	0.25	0.25
Weighted average contractual remaining life (years)		1.6	-	-	-	0.9	0.9

The continuity of share purchase options for the year ended December 31, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ Forfeited	December 31, 2016	Options Exercisable
January 23, 2016	$1.00	30,000	-	-	(30,000)	-	-
March 2, 2016	$10.81	6,413	-	-	(6,413)	-	-
May 31, 2016	$22.00	6,000	-	-	(6,000)	-	-
September 25, 2016	$10.00	2,000	-	-	(2,000)	-	-
September 24, 2017	$1.20	93,500	-	-	-	93,500	93,500
November 17, 2018	$0.25	-	300,000	-	-	300,000	75,000
		137,913	300,000	-	(44,413)	393,500	168,500
Weighted average exercise price ($)		2.64	0.25	-	5.66	0.48	0.78
Weighted average contractual remaining life (years)		1.2	-	-	-	1.6	1.2

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. SHARE CAPITAL AND RESERVES (continued)

The weighted average fair value of share purchase options granted during the year ended December 31, 2017 is $0.13 (2016 - $0.24). Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31, 2017	2016
Risk-free interest rate	0.84%	0.67%
Expected option life in years	2.68	2.0
Expected share price volatility [(1)]	181%	291%
Grant date share price	$0.30	$0.25
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(1) Expected share price volatility is based on the historical volatility that is commensurate with the expected life of the share purchase options granted.

Warrants

The continuity of warrants for the year ended December 31, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ Cancelled	December 31, 2017
July 4, 2017	$0.10	38,057,500	-	(25,745,400)	(12,312,100)	-
September 19, 2018	$0.50	4,388,141	-	-	(65,789)	4,322,352
December 19, 2018	$0.30	-	6,096,042	-	-	6,096,042
		42,445,641	6,096,042	(25,745,400)	(12,377,889)	10,418,394
Weighted average exercise price ($)		0.14	0.30	0.10	0.10	0.38

The continuity of warrants for the year ended December 31, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ Cancelled	December 31, 2016
January 28, 2016	$1.00	211,788	-	-	(211,788)	-
March 3, 2016	$1.00	353,480	-	-	(353,480)	-
April 13, 2016	$1.00	151,100	-	-	(151,100)	-
April 24, 2016	$1.00	64,800	-	-	(64,800)	-
July 4, 2017	$0.10	-	38,378,000	(320,500)	-	38,057,500
September 19, 2018	$0.50	-	4,388,141	-	-	4,388,141
		781,168	42,766,141	(320,500)	(781,168)	42,445,641
Weighted average exercise price ($)		1.00	0.14	0.10	1.00	0.14

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. RELATED PARTY BALANCES AND TRANSACTIONS

Grosso Group Management Ltd.

On April 1, 2010, the Company entered into a Management Services Agreement ("Agreement") with Grosso Group Management Ltd. (Grosso Group) to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2016 and was automatically renewed for a period of two years pursuant to the terms of the Agreement.

The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000.

	Year ended December 31,	
Transactions	2017 $	2016 $
Services rendered:		
Grosso Group Management Ltd.		
Management fees	145,100	62,100
Information technology	-	1,800
Office & sundry	22,800	6,600
Total for services rendered	167,900	70,500

Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO and Corporate Secretary and Vice President of Corporate Development.

			Year ended December 31,	
Transactions			2017 $	2016 $
Interest and finance expense paid to a director			-	29,655
Consulting, salaries and professional fees to key management or their consulting corporations:				
Nikolaos Cacos	President/CEO	Salaries and employee benefits	60,000	60,000
Darren Urquhart	CFO/Corporate	Salaries and employee benefits	12,000	33,000
David Terry	Director/Consultant	Salaries and employee benefits	48,000	33,200
Joseph Grosso	Director/Consultant	Professional fees	50,000	50,000
Total for services rendered			170,000	205,855

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Year ended December 31,	
Transactions	2017 $	2016 $
Amounts owed to related parties		
Payable to Golden Arrow Corp.(1)	17,507	5,580
Payable to Nikolaos Cacos	147	-
Payable to David Terry	4,200	4,200
Total shared costs included in accounts payable	21,854	9,780

(1) A company related through common directors that receives reimbursement for shared office costs and overhead.

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for year ended December 31, 2017 and 2016 was based on the following:

	Year ended December 31,	
	2017	2016
Loss attributable to common shareholders ($)	4,800,850	1,329,004
Weighted average number of common shares outstanding	62,565,987	23,239,525

Diluted loss per share did not include the effect of 300,000 (December 31, 2016 – 393,500) share purchase options and 10,418,394 (December 31, 2016 – 42,445,641) common share purchase warrants as they are anti-dilutive.

8. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the years ended December 31, 2017 and 2016.

The Company's total non-current assets are segmented geographically as follows:

	December 31, 2017		
	Canada $	Argentina $	Total $
Mineral property interests	-	54,243	54,243
Equipment	3,277	-	3,277
	3,277	54,243	57,520

	December 31, 2016		
	Canada $	Argentina $	Total $
Mineral property interests	-	32,702	32,702
Equipment	6,852	-	6,852
	6,852	32,702	39,554

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. INCOME TAXES

The recovery of income taxes shown in the consolidated statements of loss and comprehensive loss differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2017	2016
	$	$
Loss before income taxes	(4,800,850)	(1,329,004)
Income tax recovery at statutory rate	(1,248,221)	(345,541)
Non-deductible differences	85,001	21,626
Rate differential and other	(240,014)	(62,595)
Effect of tax rate change	332,071	-
Non-capital loss expired	109,352	275,910
Unrecognized amounts	961,811	110,600
Income tax recovery	-	-
Statutory tax rate	26.00%	26.00%

Deferred income taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2017 $	2016 $
Deferred income tax assets		
Resource deductions	1,885,000	1,213,000
Financing costs	12,000	9,000
Operating loss carryforwards	4,360,000	4,067,000
Property and equipment	11,000	10,000
	6,268,000	5,299,000
Net deferred income tax assets	6,268,000	5,299,000
Unrecognized deferred tax assets	(6,268,000)	(5,299,000)
Deferred income tax assets	-	-

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. INCOME TAXES (continued)

As at December 31, 2017, the Company has Canadian non-capital loss carry forwards of $15,354,757 that may be available for tax purposes. The Company's non-capital losses expire as follows:

Expiry Date	$
2026	131,664
2027	1,755,704
2028	1,960,034
2029	1,092,852
2030	2,138,810
2031	3,061,433
2032	1,843,677
2033	304,268
2034	723,263
2035	264,215
2036	549,416
2037	1,529,421
	15,354,757

At December 31, 2017, the Company had net operating loss carry forwards for Argentinean income tax purposes of approximately $855,000 (2016 – $1,350,000) which, if not utilized to reduce Argentinean taxable income in future periods, expire through the year 2022. These available tax losses may only be applied to offset future taxable income from the Company's current Argentinean subsidiary. The Company also has available resource deductions in Argentina of approximately $3,928,000 (2016 – $995,000).

At December 31, 2017, the Company had net operating loss carry forwards for Mexican income tax purposes of approximately $139,025 (2016 – $139,025) which, if not utilized to reduce Mexican taxable income in future periods, expire through the year 2021. These available tax losses may only be applied to offset future taxable income from the Company's current Mexican subsidiary.

10. COMMITMENT

Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is $16,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	198,000	396,000	-	-	-

11. SUPPLEMENTARY CASH FLOW

	Year ended December 31,	
	2017	2016
	$	$
Non-cash investing and financing activities:		
Share issue cost – issuance of warrants to agents	14,831	99,149

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash, accounts receivable, exploration liabilities, and accounts payable and accrued liabilities. The recorded amounts for cash, amounts receivable, exploration liabilities, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company has reduced its credit risk by depositing its cash and short-term investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: cash, accounts receivable and accounts payable all denominated in United States dollars and Argentinean pesos. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar, and between the Canadian dollar and the Argentinean peso as of December 31, 2017 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $2,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $31,000.

(ii) *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 fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the year ended December 31, 2017.

13. SUBSEQUENT EVENTS

Private Placement

- On March 1, 2018, the Company closed the non-brokered private placement financing consisting of 7,258,500 units at a price of $0.20 per unit for gross proceeds of $1,451,700. Finders' fees were payable $14,525 in cash and 72,625 non-transferable warrants exercisable into common shares at $0.35 for two years from the date of issue.

13. SUBSEQUENT EVENTS (continued)

Stock Options Granted

- Subsequent to December 31, 2017, 4,520,000 stock options were granted at an exercise price of $0.30, with an expiry date of January 23, 2023.