PALLADIUM ONE MINING INC.

(Formerly Nickel One Resources Inc.)

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2019 and 2018

PALLADIUM ONE MINING INC.

(Formerly Nickel One Resources Inc.)

Index to Condensed Interim Consolidated Financial Statements

March 31, 2019

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

The attached condensed interim consolidated financial statements for the three months ended March 31, 2019 have not been reviewed by the Company’s auditors.

PALLADIUM ONE MINING INC.
(Formerly Nickel One Resources Inc.)

(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position as at
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2019	December 31, 2018
Assets			
Current assets:			
Cash		$ 51,405	$ 1,022
Sales tax receivable		13,096	2,307
Loans receivable	5	4,175	18,335
Prepaid expense and deposits		22,998	24,403
		91,674	46,067
Equipment		-	668
		$ 91,674	$ 46,735
Liabilities and Shareholders' Deficit			
Current liabilities:			
Accounts payable and accrued liabilities	7	$ 409,545	$ 505,093
Short-term loans	8	52,000	-
Long-term loans		3,500	-
Loans payable to related parties		-	3,500
		465,045	508,593
Shareholders' deficit:			
Capital stock	9	5,722,739	5,722,739
Share subscription received	9	98,500	-
Reserves	9	707,054	707,054
Deficit		(6,901,664)	(6,891,651)
		(373,371)	(461,858)
		$ 91,674	$ 46,735

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

On behalf of the Board:

"Raymond Strafehl" Director *"Scott Jobin-Bevans"* Director

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

PALLADIUM ONE MINING INC.

(Formerly Nickel One Resources Inc.)
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2019	March 31, 2018
Expenses			
Consulting	12	$ 76,000	$ 124,000
Professional fees		17,326	30,154
Transfer agent and filing fees		3,243	11,749
Investor relations		2,180	6,678
Exploration and evaluation	6	10,000	-
Foreign exchange loss (gain)		136	-
Depreciation		668	-
General and administrative		3,836	7,895
Rent		5,145	5,209
Travel and promotion		-	17,800
Results from operations		(118,534)	(203,485)
Other items			
Interest income		7	413
Gain on debt settlement	5,7	108,514	10,000
		108,521	10,413
Net loss and Comprehensive loss for the period		(10,013)	(193,072)
Loss per share – basic and diluted		$ 0.00	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		25,865,276	21,203,943

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

PALLADIUM ONE MINING INC.

(Formerly Nickel One Resources Inc.)
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows for the Three Months Ended March 31,
(Unaudited - Expressed in Canadian Dollars)

	Note		March 31, 2019		March 31, 2018
OPERATING ACTIVITIES					
Net loss for the period		$	(10,013)	$	(193,072)
Items not involving cash					
Depreciation			668		-
Interest income			-		(413)
Gain on debt settlement	5,7		(108,514)		(10,000)
Change in non-cash working capital items:					
Sales tax receivable			(10,789)		(7,973)
Prepaid expense and deposits			1,405		(12,808)
Accounts payable and accrued liabilities			27,126		(8,645)
			(100,117)		(232,911)
INVESTING ACTIVITIES					
Cash used in acquisition			-		(69,798)
Loans receivable			-		2,770
			-		(67,028)
FINANCING ACTIVITIES					
Proceeds from private placement	9		-		336,000
Private placement shares issuance costs	9		-		(1,313)
Proceeds from warrants exercised	9		-		8,000
Subscriptions received in advance	9		98,500		(35,000)
Short-term loans			52,000		-
Loan repayment	8		-		(17,000)
			150,500		290,687
Increase (decrease) in cash			50,383		(9,252)
Cash, beginning of the period			1,022		37,048
Cash, end of the period		$	51,405	$	27,796
Non-cash items:					
Transfer of reserves of warrants	9	$	-	$	7,500

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

PALLADIUM ONE MINING INC.

(Formerly Nickel One Resources Inc.)
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit
(Unaudited - Expressed in Canadian Dollars)

		Capital Stock					
	Note	Shares	Amount	Subscriptions Received	Reserves	Deficit	Total shareholders' deficit
Balance at December 31, 2017		19,780,277	$ 5,087,594	$ 35,000	$ 644,285	$ (6,022,743)	$ $ (255,864)
Private placements	9	3,360,000	336,000	(35,000)	-	-	301,000
Private placement issuance costs	9	-	(1,313)	-	-		(1,313)
Acquisition of Nortec Mineral Oy	9	2,500,000	275,000	-	-	-	275,000
Warrants exercised	9	50,000	15,500	-	(7,500)	-	8,000
Net loss for the period		-	-	-	-	(193,072)	(193,072)
Balance at March 31, 2018		25,690,277	$ 5,712,781	-	$ 636,785	$ (6,215,815)	$ $ (133,751)
Balance at December 31, 2018		25,865,278	5,722,739	-	707,054	(6,891,651)	$ (461,858)
Share subscription received	9	-	-	98,500	-	-	98,500
Net income for the period		-	-	-	-	(10,013)	(10,013)
Balance at March 31, 2019		25,865,278	$ 5,722,739	$ 98,500	$ 707,054	$ (6,901,664)	$ $ (373,371)

On May 3, 2019, the Company consolidated its share capital on a ratio of one (1) new post-consolidated common share for every two (2) old pre-consolidated common shares. All shares and per share references in these financial statements have been retroactively restated accordingly unless noted otherwise.

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

1. Nature and continuance of operations

Palladium One Mining Inc. (“Palladium” or the "Company", formerly Nickel One Resources Inc.) is a mineral exploration and development company listed on the TSX Venture Exchange (“TSX-V”) under the symbol “PDM” and is engaged in the exploration of mineral properties. The address of the Company's corporate head office and principal place of business is 550 - 800 West Pender Street, Vancouver, BC, V6C 2V6.

On May 3, 2019, the Company changed its name from Nickel One Resources Inc. to Palladium One Mining Inc. and its stock symbol from NNN to PDM. The Company also consolidated its share capital on a ratio of one (1) new post-consolidated common share for every two (2) old pre-consolidated common shares. All shares and per share references in these financial statements have been retroactively restated accordingly unless noted otherwise.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company’s continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. These material uncertainties may cost significant doubt as to the Company’s ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to fund its exploration and evaluation programs. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of business operations. Such adjustments could be material.

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 – *Interim Financial Reporting*. In addition, the condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2018. In management’s opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected of the year ended December 31, 2019.

The condensed interim consolidated financial statements were approved by the Board of Directors on May 30, 2019.

2. Basis of presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss or available for sale, which are stated at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(Unaudited - Expressed in Canadian Dollars)

3. Summary of significant accounting policies

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Tyko Resources Inc.	Canada	100%	Mineral exploration
Nortec Mineral Oy.	Finland	100%	Mineral exploration

New and revised standards and interpretations

IFRS 9*, Financial Instruments* (new; replaces IAS 39)

On January 1, 2018, the Company adopted the requirements of IFRS 9. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following table shows the classification of the Company's financial assets and liabilities under IFRS 9:

Financial asset or liability	IAS 39 Classification	IFRS 9 Classification
Cash and cash equivalents	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Short-term investments	FVTPL	FVTPL
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company's consolidated financial statements and no restating of prior periods will be required.

IFRS 15, *Revenue from Contracts with Customers* (new, replaces IAS 18)

On January 1, 2018, the Company adopted IFRS15, which supersedes IAS 18- Revenue ("IAS18"). IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customer. The standard is effective for annual periods beginning on or after January 1, 2018.

The Company is a junior mining exploration company and it currently does not generate any revenue from contracts with customers. Therefore, the adoption of this standard did not have any significant impact on the Company's condensed interim consolidated financial statements.

(Unaudited - Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

New and revised standards and interpretations (continued)

IFRS 16- *Leases:* (new, replaces IAS 17)

On January 1, 2019, the Company adopted IFRS 16, which supersedes IAS 17- Leases ("IAS 17"). 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 Company is using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. IFRS 16 requires lessees to recognize a right of use of asset and a lease obligation at the lease commencement date. The Company has assessed its office lease agreement and concluded that agreement does not constitute the ability to direct the use (right to use) of the underlying office premises in the context of IFRS 16. As such, the adoption of the standard has not had an impact on these condensed interim consolidated financial statements.

IFRIC 23 - *Uncertainty over Income Tax Treatments*:

On January 1, 2019, the Company adopted IFRIC 23, which is new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments.

The Company is a junior mining exploration company and it currently does not generate any income tax liability. Therefore, the adoption of this standard did not have any significant impact on the Company's condensed interim consolidated financial statements.

4. Acquisition of Nortec Mineral Oy

On January 31, 2017, the Company signed a Definitive Agreement with Micron Waste Technologies Inc. ("Micron")for the purchase of 100% of Nortec Mineral Oy ("Nortec"), a wholly owned subsidiary of Micron which holds the Lantinen Koillismaa Platinum Group Element-Copper-Nickel (PGE-Cu-Ni) project ("LK Project") located in North-central Finland.

On February 28, 2018, the Company completed the acquisition pursuant to the Definitive Agreement. The Company paid Micron 2,500,000 common shares of Nickel One with a fair value of $275,000 and 1,250,000 common share purchase warrants, exercisable at $0.24 for 24 months. The share purchase warrants have a fair value of $65,769 which has determined using a Black Scholes valuation model with the following assumptions:

	2018
Forfeiture rate	0.00%
Estimated risk-free rate	1.78%
Expected volatility	139%
Estimated annual dividend yield	0.00%
Expected life of options	2 years

In connection with the acquisition, the Company issued 125,000 common shares with a fair value of $11,250 as a finder's fee.

(Unaudited - Expressed in Canadian Dollars)

4. Acquisition of Nortec Mineral Oy (continued)

The following table summarizes the allocation of the purchase price and related acquisition costs to the fair value of the assets acquired and liabilities assumed of Nortec at the date of acquisition:

Purchase price (2,500,000 common shares)	$	275,000
Fair value of warrants (1,250,000 common share purchase warrants)		65,769
Transaction costs (125,000 common shares)		11,250
Total cost of acquisition	**$**	**352,019**
Cash and cash equivalents	$	4,932
Prepaid expensed and deposits		14,438
Sales tax receivable		6,449
Equipment		892
Accounts payable and accrued liabilities		(201,208)
Mineral property		526,516
Net identifiable assets acquired	**$**	**352,019**

The value attributed to the acquisition of the mineral property is included exploration and evaluation in profit and loss in line with the Company's policy mineral exploration and evaluation expenditures.

5. Loan receivable

At December 31, 2018, The Company had a loan receivable $18,335 which was comprised of a principal balance of $4,175 and accrued interests of $14,160.

During the quarter ended March 31, 2019, the Company agreed to forgo the accrued interest of $14,160 on the loan receivable. Subsequent to the quarter ended, the Company received the principal balance of $4,175.

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and evaluation expenditures

The Company performed the following work on their properties during the period:

	March 31, 2019	December 31, 2018
Manitouwadge (the "Tyko Project"):		
Assays and surveying	$ -	$ -
Claims	-	1,122
Field costs	-	-
Geological consulting	-	-
Mobilization/ demobilization	-	-
	-	1,122
LK Project:		
Acquisition costs	-	526,516
Geological consulting	10,000	-
Report	-	1,837
	10,000	528,353
	$ 10,000	$ 529,475

Manitouwadge (the "Tyko Project")

The Company conducts exploration and evaluation activities on the Manitouwadge property located in Northwestern Ontario and held 100% by the Company. As at March 31, 2019, a number of claims were forfeited, and the Company had no further obligation with respect to those claims.

LK Project

The Company holds a 100% interest in the LK project located in North-central Finland. The LK project was acquired on February 2018 as part of the acquisition of Nortec (Note 4). As at March 31, 2019, a number of claims were in application stage and the Company would continue with the application and further obligation with respect to those claims.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of payables to vendors. The breakdowns of accounts payable and accrued liabilities are as follows:

	March 31, 2019	December 31, 2018
Payables to vendors	$ 409,545	$ 505,093
	$ 409,545	$ 505,093

On March 28, 2019, the Company entered into a debt settlement agreement with certain dissident shareholders. As per agreement, the Company agreed to settle $322,674 of accounts payable for $200,000.

(Unaudited - Expressed in Canadian Dollars)

8. Loans payable

		March 31, 2019		December 31, 2018
Loans payable and accrued interest	$	52,000	$	-
	$	52,000	$	-

Subsequent to the quarter ended March 31, 2019, the Company paid off the short-term loans of $52,000 in cash.

9. Capital stock

The authorized capital stock of Palladium consists of an unlimited number of common shares with no par value.

Transactions for the three months ended March 31, 2019 were as follows:

Escrow shares

As at March 31, 2019, there are 739,885 (December 31, 2018 – 758,635) common shares are held in escrow. The balance is scheduled to be released in equal 15% tranches every six months.

Subscriptions received

On May 9, 2019, the Company completed a non-brokered private placement and issued 16,912,000 units at a price of $0.08 per unit for gross proceeds $1,352,960. Each unit consists of one common share and one common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.12 per share. A total of $98,500 was received during the three months ended March 31, 2019 and was included in subscription received in advance. The company incurred a total of $8,470 in share issuance costs related to the private placement.

Transactions for the year ended December 31, 2018 were as follows:

Escrow shares

As at December 31, 2018, there are 758,635 (2017 – 796,135) common shares are held in escrow. The balance is scheduled to be released in equal 15% tranches every six months.

Private placement

During the year ended December 31, 2018, the Company completed a non-brokered private placement of 3,410,000 units at a price of $0.10 per unit for gross proceeds $341,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.20 per share. A total of $35,000 was received during the year ended December 31, 2017 and was included in subscription received in advance. The company incurred a total of $3,105 in share issuance costs related to the private placement.

Shares for mineral property

On March 12, 2018, the Company issued 2,500,000 common shares with a fair value of $275,000 and 1,250,000 common share purchase warrants at a price of $0.24 for the acquisition of Nortec. In connection with the acquisition, the Company issued 125,000 common shares with a fair value of $11,250 as a finder’s fee.

(Unaudited - Expressed in Canadian Dollars)

9. Capital stock (continued)

Warrants

The Company uses the residual approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

The number and weighted average exercise prices of warrants are as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, December 31, 2017	5,151,149	$0.24
Granted	2,955,000	$0.22
Exercised	(50,000)	$0.16
Expired	(3,400,991)	$0.28
Outstanding warrants, December 31, 2018 and March 31, 2019	4,655,158	$0.18

As at March 31, 2019, warrants enabling the holders to acquire common shares are as follows:

Expiry date (mm/dd/yyyy)	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
04/12/2019	*578,500	0.03	$0.16
06/21/2019	1,121,658	0.22	$0.16
02/28/2020	1,250,000	0.92	$0.24
03/19/2020	1,680,000	0.97	$0.20
04/27/2020	25,000	1.08	$0.20
	4,655,158	0.61	$0.18

*Subsequent to the quarter ended March 31, 2019, 578,500 warrants expired.

The fair value of warrants issued during the year was calculated using a Black Scholes option pricing model with the following assumptions:

	2019	2018
Forfeiture rate	N/A	0.00%
Estimated risk-free rate	N/A	1.78%
Expected volatility	N/A	138%
Estimated annual dividend yield	N/A	0.00%
Expected life of options	N/A	2 years

On January 2, 2018, 100,000 warrants were exercised at a price of $0.08 per share for gross proceeds of $8,000. Accordingly, $7,500 the related warrant reserves reallocated to capital stock by using a residual value approach.

(Unaudited - Expressed in Canadian Dollars)

9. Capital stock (continued)

Stock options

The Company has established a rolling stock option plan ("Option Plan") enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. All stock options issued are subject to vesting terms. Options issued to directors, vest in the amount of 25% every three months from the date of grant; and options issued to officers and/or consultants vest in 12 months depending on date of grant and nature of service. The exercise price of each option equals the market price, minimum price, or discounted market price of the Company's shares as calculated on the date of grant.

Share-based payments relating to options vested during the three months ended March 31, 2019 using the Black-Scholes option pricing model was $nil (2018 - $nil), which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statement of operations and comprehensive loss. The associated share-based compensation expense for the options granted during the period was calculated based on the following assumptions:

	2019	2018
Forfeiture rate	0.00%	0.00%
Estimated risk-free rate	0.00%	0.00%
Expected volatility	0.00%	0.00%
Estimated annual dividend yield	0.00%	0.00%
Expected life of options	N/A	N/A

The number and weighted average exercise prices of the stock options are as follows:

	Number of options	**Weighted average exercise price**
Outstanding options, December 31, 2017	787,500	$0.30
Forfeited	(100,000)	($0.30)
Outstanding options, December 31, 2018 and March 31, 2019	687,500	$0.30

As at March 31, 2019, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	**Number of options outstanding**	**Weighted average remaining life in years**	**Exercise price**	**Number of options exercisable**
03/29/2021	687,500	2.00	$0.30	687,500
	687,500	2.00	$0.30	687,500

Subsequent to the quarter ended March 31, 2019, there were 250,000 stock option forfeited.

10. Nature and extent of risks arising from financial instruments

The Company's financial instruments are exposed to certain risks, including credit risk, liquidity risk, market risk and interest rate risk. Management believes the Company's not exposed to significant market or interest rate risk.

The Company's financial instruments consist of cash, sales tax receivable, loan receivable, loans payable, loans payable to related parties, and accounts payable and accrued liabilities. The fair values of financial assets and financial liabilities approximate their carrying amounts due to the short-term maturity of the instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and receivables. The Company's cash is held through a large Canadian financial institution. The Company’s receivables consist of sales tax receivable due from the Government of Canada and Finland of $13,096 (December 31, 2018 - $2,307), and loans receivable of $4,175 (December 31, 2018 - $18,335).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 10 of these financial statements. As at March 31, 2019, the Company had a cash balance of $51,405 (December 31, 2018 - $1,022) to settle current liabilities of $465,045 (December 31, 2018 - $508,593). The Company will need to raise sufficient funds to meet its obligations.

Other Market Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company’s earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the 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 Company defines capital to include all components of equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in the Company's approach to capital management during the three months ended March 31, 2019. The Company is not subject to externally imposed capital requirements.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements.

(Unaudited - Expressed in Canadian Dollars)

12. Related party transactions

Key management compensation

Key management consists of the Company's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. Remuneration of key management includes the following:

	Three months ended March 31, 2019	Year ended December 31, 2018
Salaries and consulting fees	$ 40,000	$ 160,000
Share-based compensation	Nil	Nil
Total remuneration	$ 40,000	$ 160,000

Related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

- The balance payable to related parties as at March 31, 2019 was $45,200 (December 31, 2018 - $196,074) and is included in accounts payable and accrued liabilities. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

13. Segmented Information

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. For the years presented, all of the Company's assets are located in Canada and Finland.

14. Subsequent Events

On May 9, 2019, the Company completed a non-brokered private placement and issued 16,912,000 units at a price of $0.08 per unit for gross proceeds $1,352,960. Each unit consists of one common share and one common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.12 per share. The company incurred a total of $8,470 in share issuance costs related to the private placement.

On May 13, 2019, the Company issued 925,072 common shares at a price of $0.11 per share to settle $101,758 in accounts payable.