CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2018

1100 – 1111 Melville Street
Vancouver, B.C. V6E 3V6

TELEPHONE: 604.700.8912
FAX: 604.484.7143

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

		March 31, 2018		December 31, 2017
ASSETS				
Current				
Cash	$	48,111	$	2,521
Receivables		26,146		14,729
Prepaids		8,812		10,440
Marketable securities (Note 3)		717,376		1,538,532
Convertible debenture receivable (Note 4)		747,175		-
		1,547,620		1,566,222
Convertible debenture receivable (Note 4)		-		319,640
Derivative asset (Note 4)		-		385,350
Total assets	$	1,547,620	$	2,271,212
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current				
Accounts payable and accrued liabilities	$	315,240	$	303,385
Loan payable (Note 6)		4,903,136		-
		5,218,376		303,385
Loan payable (Note 6)		-		4,669,653
		5,218,376		4,973,038
Shareholders' deficiency				
Share capital (Note 6)		35,505,199		35,505,199
Reserves (Note 6)		5,160,837		5,055,484
Deficit		(44,336,792)		(43,262,509)
		(3,670,756)		(2,701,826)
Total liabilities and shareholders' deficiency	$	1,547,620	$	2,271,212

Nature and continuance of operations (Note 1)
Contingency (Notes 5 and 8)

On behalf of the Board on May 28, 2018

"Kirill Klip" Director *"Maurice Brooks"* Director

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

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Expressed in Canadian Dollars)

	For the three months ended March 31, 2018	For the three months ended March 31, 2017
OPERATING EXPENSES		
Administration fees (Note 8)	$ -	$ 2,000
Argentina administration (recovery)	(12,696)	15,217
Consulting fees (Note 8)	30,823	22,500
Directors' fees (Note 8)	6,500	7,675
Foreign exchange (gain) loss	2,030	(8,026)
Interest and bank charges	234,553	194,671
Management fees (Note 8)	9,000	16,000
Office and miscellaneous	9,922	8,815
Professional fees	5,247	29,688
Shareholder communications	2,334	3,325
Share-based payments (Note 7)	105,353	-
Transfer agent and filing fees	7,115	6,725
Travel and related	-	358
Total operating expenses	(400,181)	(298,848)
Interest income (Note 4)	25,314	-
Gain on sale of interest in associate	-	21,047
Gain on debt settlement	-	394,269
Unrealized gain (loss) marketable securities (Note 3)	(756,466)	(276,006)
Unrealized gain (loss) on change in fair value of convertible note (Note 4)	(338,175)	(276,006)
Realized gain on marketable securities (Note 3)	14,865	1,035
Unrealized gain on loss of significant influence	-	2,009,898
	(1,054,462)	2,150,243
Income and comprehensive income (loss) for the period	(1,454,643)	1,851,395
Basic and diluted income (loss) per common share	$ (0.01)	$ 0.01
Weighted average number of common shares outstanding – basic and diluted	157,016,447	149,816,447

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

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	$ (1,454,643)	$ 1,851,395
Items not affecting cash:		
Unrealized foreign exchange	-	(7,756)
Interest expense	233,483	194,568
Gain on sale of interest in associate	-	(21,047)
Gain on debt settlement	-	(394,269)
Realized loss on marketable securities	(14,865)	(1,035)
Stock-based payments	105,353	-
Unrealized loss on marketable securities	756,466	276,006
Unrealized loss on change in fair value of convertible note	338,175	-
Unrealized gain on loss of significant influence	-	(2,009,898)
Changes in non-cash working capital items:		
Receivables	(11,417)	(3,441)
Prepaids	1,628	-
Accounts payable and accrued liabilities	11,855	(23,972)
Net cash used in operating activities	(33,965)	(139,449)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of interest in associate	-	21,540
Purchase of marketable securities	(91,860)	-
Proceeds from sale of marketable securities	171,415	45,210
Net cash provided by investing activities	79,555	66,750
Net change in cash	45,590	(72,699)
Cash, beginning of the period	2,521	116,967
Cash, end of the period	$ 48,111	$ 44,268

There were no significant non- cash investing and financing activities for the periods ended March 31, 2018 and 2017

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

TNR GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Unaudited)
(Expressed in Canadian Dollars)

	Share capital					
	Number	Amount	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2016	149,816,447	$ 35,147,585	$ 4,959,584	$ (2,498)	$ (44,404,086)	$ (4,299,415)
Sale of interest in associate	-	-	(11,675)	219	-	(11,456)
Loss of significant influence over associate	-	-	-	2,279	-	2,279
Comprehensive income for the period	-	-	-	-	1,851,395	1,851,395
Balance, March 31, 2017	149,816,447	$ 35,147,585	$ 4,947,909	$ -	$ (42,552,691)	$ (2,457,197)
Balance, December 31, 2017	157,016,447	$ 35,505,199	$ 5,055,484	$ -	$ (43,262,509)	$ (2,701,826)
IFRS 9 transition adjustment to opening retained earnings (Note 3)	-	-	-	-	380,360	380,360
Share-based payments	-	-	105,353	-	-	105,353
Comprehensive loss for the period	-	-	-	-	(1,454,643)	(1,454,643)
Balance, March 31, 2018	157,016,447	$ 35,505,199	$ 5,160,837	$ -	$ (44,336,792)	$ (3,670,756)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

TNR Gold Corp. (the "Company") was incorporated on January 14, 1988 under the laws of the Province of British Columbia. The Company's head office address is Suite1100 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6. The registered and records office address is Suite 1000 - 840 Howe Street, Vancouver B.C. V6C 2T6. The Company is listed on the TSX Venture Exchange and trades under the stock symbol "TNR".

The Company is in the business of acquiring and owning royalties which will pay out in the future if but only if the related properties go into production. These royalties are currently receivable from companies with copper and lithium operations in Argentina. The company is also in the business of acquiring and exploring its mineral properties located in the United States.

These condensed consolidated interim financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. The Company has not generated revenue from operations; additional financing will be required. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets and/or debt to fund its exploration and operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company's ability to continue as a going concern is dependent upon it securing the necessary working capital and exploration requirements and eventually to generate positive cash flows either from operations or additional financing. These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2017.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Significant accounting judgments and estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgments and estimates and form 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. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the valuation of deferred income tax amounts, value of marketable securities, certain financial instruments, impairment testing and calculation of share-based payments. Share-based payments, as measured with respect to stock options granted, are estimated by reference to the Black-Scholes pricing model. Value of marketable securities is based on the closing share price on the date of the Statement of Financial Position and may be influenced by trading volume activities. The Company has reviewed its exploration and evaluation assets for indications of impairment and adjusted the carrying values of the exploration and evaluation assets to reflect management's decision to impair certain properties. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred tax assets. Management is required to make estimates when determining the valuation of its convertible debenture receivable. The convertible debenture receivable required option pricing models that involved various estimates and assumptions.

The most significant judgments relate to the functional currency of the Company and its subsidiaries and previously the determination to apply equity accounting on its investment in associate which was based on significant influence resulting from common directorship.

Adoption of new accounting standard

On January 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.
- The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings.

IFRS 9 resulted in the Company no longer separating the embedded derivative from its host contract and the entire asset is measured at fair value through profit or loss. The adoption of IFRS 9 resulted in balances shown as convertible debenture receivable and derivative asset as December 31, 2017 to be combined into a single figure and shown as convertible debenture receivable as at March 31, 2018.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive.

The classification determines the method by which the financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. Receivables are measured at amortized cost with subsequent impairments recognized in profit or loss and cash, marketable securities and convertible debenture receivable are classified as FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities and loan payable are classified as other financial liabilities and carried on the balance sheet at amortized cost.

As at March 31, 2018, the Company does not have any derivative financial liabilities.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New standard not yet adopted

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the three months ended March 31, 2018 and have not been applied in preparing these condensed interim consolidated financial statements. The new and revised standards are as follows:

- IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is evaluating the effect of this standard on the Company's consolidated financial statements.

- IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

3. MARKETABLE SECURITIES

		2018		2017
Eastern Zinc Corp. (formerly Cricket Resources Inc. - cost $26,433)	$	3,380	$	2,600
Geocom Resources Inc. (cost $75,328)		-		-
International Lithium Corp. ("ILC") (cost $1,270,160)		713,996		1,535,932
Total	$	717,376	$	1,538,532

In the period ended March 31, 2018, the Company:

- Participated in a private placement of ILC for a total of 900,000 units ("Unit") as a price at a price of $0.20 per Unit in the amount of $180,000. Each Unit consisted of one common share and one-half share purchase warrant. Each warrant is exercisable at a price $0.30 for a period of 24 months from closing. The warrants were valued at $nil.
- Sold 1,010,000 ILC common shares for proceeds of $171,415 resulting in a realized gain of $14,865. The adjustment to fair value as at March 31, 2018 resulted in an unrealized loss of $757,246.

On January 1, 2017, the Company sold 135,000 ILC common shares for proceeds of $21,540 and recognized a gain of $21,047. On January 2, 2017, the Company transferred 1,214,710 ILC shares to creditors to settle accounts payables in the amount of $398,710 and recognized a gain on debt settlement of $394,269. Following these transactions, the Company determined that it no longer had significant influence over ILC. Consequently, the Company has ceased equity accounting for its investment in ILC and now accounts for the ILC common shares as marketable securities.

(Expressed in Canadian Dollars)

4. CONVERTIBLE DEBENTURE RECEIVABLE AND DERIVATIVE ASSET

Convertible Debentures Receivable

During the year ended December 31, 2017, the Company invested $700,000 in the convertible securities of ILC. The convertible securities bear interest at 15% per annum, receivable January 31 of each year, and have a maturity date of January 31, 2019. The ILC may convert at any time, all or a portion of the principal into common shares of ILC at a price of $0.14 per common share. ILC has the right to repay the convertible loan, at any time on the last business day of the month, upon 10 days' notice to the lender. As at March 31, 2018, the Company accrued interest receivables of $16,973 (December 31, 2017 - $10,647).

On January 1, 2018, the Company adopted IFRS 9 which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 resulted in the Company no longer separating the embedded derivative from its host contract and the entire asset is measured at fair value through profit or loss. The adoption of IFRS 9 resulted in balances shown as convertible debenture receivable and derivative asset as December 31, 2017 to be combined into a single figure and shown as convertible debenture receivable as at March 31, 2018.

		March 31, 2018
Convertible debenture receivable, beginning of period	$	319,640
IFRS 9 transition adjustment		765,710
Change in fair value of convertible debenture receivable		(338,175)
Convertible debenture receivable, end of period	$	747,175

The fair value of the equity conversion option component was estimated on transition date to be $385,350. As at March 31, 2018, the fair value of the equity conversion option was $47,175. As a result, an unrealized loss of $338,175 was recorded. The fair value of the conversion feature is estimated using the Black-Scholes option pricing model assuming a life expectancy of 1.08 years, a risk-free rate of 1.66%, a forfeiture rate of 0%, and volatility of 83.6% on transition date. The fair value of the conversion feature is estimated using the Black-Scholes option pricing model assuming a life expectancy of 0.84 year, a risk-free rate of 1.76%, a forfeiture rate of 0%, and volatility of 66.6% as at March 31, 2018.

5. EXPLORATION AND EVALUATION ASSETS

Title to Mineral Property Interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Shotgun Gold Project (Alaska)

The Company, through its 90% controlled subsidiary Bristol Exploration Co. Inc., owns 100% of certain unpatented mineral claims located in the Kuskokwim and Bristol Bay district, Alaska.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

NovaGold Resources Alaska, Inc. retains a 2% NSR which can be purchased by the Company for US$5,000,000 any time prior to a production decision being made. A portion of the claims are subject to a 5% net proceeds royalty.

Solitario Properties (Argentina)

Los Azules (Argentina)

The Company has an NSR on the Los Azules Project of 0.36%.

6. LOAN PAYABLE

The Company has a loan for an original principal amount of $3,500,000. The loan was restructured in 2015. Under the terms of the restructuring, the Company granted the following financing benefits to the lender ("Lender"):

a) A 0.04% NSR on the Los Azules copper project in Argentina (Note 5).
b) A 0.2% NSR on the Mariana property in Argentina.
c) 10% equity interest in the shares of Bristol Exploration Co., Inc. that holds the Shotgun property (Note 5).

The loan accrues interest at a rate of 10% per annum. With consideration to the assets transferred to the lender, the effective interest rate is 20% per annum.

The loan and accrued interest is due and payable on or before December 31, 2018 and is secured by a promissory note and general security agreement. The Company is permitted to, without the Lender's consent, sell assets having a value up to $500,000 per calendar year, to enable the Company to maintain its operations and keep its mineral exploration assets in good standing. Any sale of assets having a value in excess of $500,000 of combined value within one calendar year requires the Lender's consent. Any sale, in whole or in part, of the Company's NSR on the Los Azules Project, NSR on the Mariana Property and/or the Shotgun Property requires the Lender's consent.

During the year ended December 31, 2017, the Company revised the loan agreement whereby the loan and accrued interest is due and payable on January 31, 2019. No other terms were revised.

Balance of carrying value for the loan payable is as follows:

		Loan Payable
Balance, December 31, 2016	$	3,891,378
Interest expense		778,275
Balance, December 31, 2017	$	4,669,653
Interest expense		233,483
Balance, March 31, 2018	$	4,903,136
Principal	$	4,310,449
Financing costs		(377,164)
Interest accrued		969,851
Balance, March 31, 2018	$	4,903,136

(Expressed in Canadian Dollars)

Authorized:

Unlimited common shares without par value

Unlimited class "A" non-voting convertible redeemable shares without par value.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance outstanding, December 31, 2016	-	$ -
Issued	7,200,000	0.05
Balance outstanding and exercisable, December 31, 2017	7,200,000	$ 0.05
Issued	-	-
Balance outstanding and exercisable, March 31, 2018	7,200,000	$ 0.05

At March 31, 2018, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
7,200,000	$ 0.05	November 17, 2022

Stock options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock on the closing trading price preceding the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

(Expressed in Canadian Dollars)

7. SHAREHOLDERS' DEFICIENCY (cont'd…)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance outstanding, December 31, 2016	11,950,000	$ 0.07
Granted	12,200,000	0.05
Cancelled	(8,950,000)	0.07
Balance outstanding and exercisable, December 31, 2017 and March 31, 2018	15,200,000	$ 0.05

As at March 31, 2018, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
1,550,000	$ 0.05	June 13, 2019
3,050,000	0.06	July 20, 2021
1,400,000	0.05	October 12, 2021
6,700,000	0.05	August 15, 2022
2,500,000	0.055	December 7, 2022
15,200,000		

Share-based payments

During the year ended December 31, 2017, the Company granted 3,000,000, 6,700,000 and 2,500,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.05, $0.05 and $0.055 per common share respectively. The Options are exercisable for a period of 5 years and will vest and be exercisable one-year from the date of grant. The fair value per option calculated using the Black-Scholes option-pricing model was $0.04, $0.05 and $0.05. Total share-based payment expense recognized in profit or loss for the period ended March 31, 2018 was $105,353.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Key management personnel consists of directors, officers and companies controlled by them.

Management Compensation and other related party transactions

During the periods ended March 31, 2018 and 2017, the Company entered into transactions with key management personnel as follows:

Transaction	Relationship	2018	2017
		$	$
Management fees	A company controlled by a former director	-	7,000
Management fees	Director and executive officer	9,000	9,000
Administration fees	Spouse of a former director	-	2,000
Administration fees (Argentina)	Officer of a subsidiary	(12,696)	3,000
Rent (office)	Private company with a former director in common	-	2,000
Consulting fees	A company controlled by an officer	9,000	9,000
Consulting fees	A company controller by a former director	-	6,000
Consulting fees	Director	3,000	2,000
Consulting fees	Former officer	-	1,000
Directors' fees	Directors and former director of the Company	6,500	7,975
IT services	A company controlled by a former director	6,651	-
Stock based compensation	Directors, former director and officers	75,857	-

Accounts payable and accrued liabilities include amounts due to directors, officers, former directors and officers and a company related by common directors and officer of the Company at March 31, 2018 of $67,538 (December 31, 2017 - $112,198). With the exception of the short-term promissory note described below, all amounts are non-interest bearing and have no formal terms of repayment.

Included in accounts payable and accrued liabilities as at March 31, 2018 and December 31, 2017 is a short-term promissory note payable to a director of the Company's subsidiary. The promissory note has a principal balance of US$25,000 which accrues interest at a rate of 12% per annum. The promissory note was granted with respect to the termination of a formal compensation arrangement with the Director.

During the period ended March 31, 2017, the Company transferred ownership of 1,214,710 (2016 – nil) common shares of ILC to directors, officers and former directors and officers of the Company to settle accounts payable of $398,710 and recognized a gain on debt settlement of $394,269.

Commitments - Consulting agreements

The Company has entered into consulting agreements with two officers of the Company for the provision of consulting services at a current cost of $72,000 and $90,000 per annum respectively. The agreements renew annually at the discretion of the Company's compensation committee. If either of the agreements are terminated without cause, the Company is required to pay a lump sum equal to the greater of (a) one months' fees for each year the consultant has acted on behalf of the Company and (b) twelve months' worth of fees. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to three times the prior twelve months gross pay.

8. RELATED PARTY TRANSACTIONS (cont'd…)

Commitments - Bonus

In the event the Company completes the sale of its subsidiary Compania Minera Solitario de Argentina S.A. ("Solitario") or its NSR on the Los Azules Project, a bonus of up to US$200,000 is payable to a Director of Solitario. The bonus is calculated as 0.5% of net proceeds received by the Company in the aforementioned transaction.

9. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' deficiency. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements other than as disclosed in Note 6. The Company does not have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business over the long term, and will need to raise adequate capital by obtaining equity financing, selling assets and/or incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, receivables, accounts payable and accrued liabilities and loan payable approximates fair value due to the short-term nature of the financial instruments. Cash and marketable securities are classified as fair value through profit or loss and measured at fair value using level 1 inputs. The carrying value of the convertible derivative receivable is classified through profit or loss and measured at fair value using level 2.

Risk management

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables mainly consist of GST receivable due from the government of Canada.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd…)

Risk management (cont'd…)

Currency risk

The Company's operations are in Argentina, Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars, and its liabilities are denominated primarily in Canadian dollars, or US dollars. Consequently, the Company's exploration programs in the US are subject to currency fluctuations. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk.

The Company has debt instruments and is therefore exposed to risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings, short-term debt and the optioning of its mineral properties to other mining entities to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The loan matures December 31, 2018. The Company is exposed to risk that it will encounter difficulty in satisfying liabilities on maturity. The loan is secured by a promissory note and general security agreement.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, the completion of other equity financings and or optioning its mineral property to other mining entities. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, its success in bringing royalty agreements to fruition, and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd…)

Risk management (cont'd…)

Liquidity risk (cont'd…)

The Company may benefit from royalty arrangements once certain major copper and lithium projects come to production. These projects have not yet reached development. There is a risk that planned projects could be delayed or not yield as much as expected, and if so this will affect the Company's anticipated cash flows, requiring the shortfall to be financed. In addition, the Company has the ability to sell assets of up to $500,000 without consultation with its lender of the loan payable. The Company will consider divesting of shares in ILC to provide financial resources.

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 earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's marketable securities amounting to $717,376 are subject to fair value fluctuations. As at March 31, 2018, if the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the year ended December 31, 201 would have been approximately $72,000 higher/lower. Similarly, as at December 31, 2017, reported equity would have been approximately $72,000 lower/higher as a result of a 10% decrease/increase in the fair value of the Company's marketable securities.

11. CONTINGENCY

The Company is aware of an ongoing investigation by the Argentine Central Bank related to an alleged error in certain compliance filings made in Argentina. The outcome of the investigation is uncertain. The Company has completed the requisite filings and is working to resolve the investigation.