Consolidated interim financial statements of

GOLDEN TAG RESOURCES LTD.

March 31, 2018

(Unaudited)

GOLDEN TAG RESOURCES LTD.
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Golden Tag Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2018 and 2017
(Unaudited)

		As at		
		March 31, 2018 (unaudited)	December 31, 2017 Note 4	December 31, 2016 Note 4
		$	$	$
	Note			
Assets				
Current				
Cash		**19,519**	14,571	243,745
Marketable Securities	7	**855,500**	1,044,000	474,250
Other receivables	8	**20,094**	13,869	122,256
Prepaid expenses and deposits		**10,500**	14,141	2,205
Total current assets		**905,613**	**1,086,581**	**842,456**
Non-current assets				
Long term sales taxes receivable	8	**92,323**	**92,323**	**-**
Total assets		**997,936**	1,178,904	842,456
Liabilities				
Current				
Trade payables		**81,625**	30,549	84,661
Equity				
Share capital	10	**14,690,674**	14,690,674	14,690,674
Options reserve	11	**9,242**	9,242	41,107
Warrant reserve	10	**440,274**	440,274	440,274
Accumulated other comprehensive income		**403,649**	403,649	380,297
Deficit		**(14,627,528)**	(14,395,484)	(14,794,557)
Total equity		**916,311**	1,148,355	757,795
Total liabilities and equity		**997,936**	1,178,904	842,456

Going concern (note 1)
Related party transactions (note 15)
Contingencies and commitments (note 18)

Approved on Behalf of the Board**:**

Signed by: Marc A. Carrier, Director

Signed by: Bruce Robbins, Director

The accompanying notes are an integral part of the consolidated financial statements

Golden Tag Resources Ltd.
Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
Three months ended March 31, 2018 and 2017
(Unaudited)

	Note	**Three Months Ended March 31, 2018**	Three Months ended March 31, 2017 Restated - Note 4
		$	$
Management, consulting and directors' fees	15	**22,500**	20,000
Professional fees		**21,032**	10,601
Office services and sundry		**2,527**	6,258
Listing, filing and transfer agency fees		**9,494**	9,303
Stock-based compensation		**-**	-
Promotion and travel		**1,080**	-
Rent		**3,173**	3,066
Mineral property expenses		**16,384**	14,830
Foreign exchange		**(1,541)**	6,186
		74,649	70,244
Finance income		**-**	(64)
Loss on sale of marketable securities	7	**395**	-
Other income	9	**-**	-
Unrealized loss (gain) on change in fair value of marketable securities	7	**157,000**	32,630
		157,395	32,566
Net Loss (Income) for the period		**232,044**	102,810
Other Comprehensive Income		**-**	-
Comprehensive Loss (Income) for the period		**232,044**	102,810
Weighed average number of shares – Basic		**78,926,558**	68,653,995
Weighed average number of shares – Diluted		**78,926,558**	68,653,995
Basic loss (income) per share	12	**0.003**	0.001
Diluted loss (income) per share	12	**0.003**	0.001

The accompanying notes are an integral part of the consolidated financial statements

Golden Tag Resources Ltd.
Condensed Interim Consolidated Statements of Changes in Equity
Three months ended March 31, 2018 and 2017
(Unaudited)

	Number of Shares	Share capital (Note 8)	Options reserve	Warrants reserve	Deficit	Accumulated other comprehensive Income/loss	Total
		$	$	$	$	$	$
Balance as at January 1, 2018	78,926,558	14,690,674	9,242	440,274	(14,395,484	403,649	1,148,355
Comprehensive income (loss)	-	-	-	-	(232,044)	-	(232,044)
Balance as at March 31, 2018	78,926,558	14,690,674	9,242	440,274	(14,627,528)	403,649	916,311

	Number of Shares	Share capital (Note 10) $	Options reserve $	Warrants reserve $	Deficit $	Accumulated other comprehensive income $	Total $
Balance as at January 1, 2017	78,926,558	14,690,674	41,107	440,274	(14,794,557)	380,297	757,795
Expired options	-	-	(41,107)	-	41,107	-	-
Stock base compensation	-	-	9,242	-	-	-	9,242
Comprehensive Income	-	-	-	-	357,966	23,352	381,318
Balance as at December 31, 2017	**78,926,558**	**14,690,674**	**9,242**	**440,274**	**(14,395,484)**	**403,649**	**1,148,355**

The accompanying notes are an integral part of the consolidated financial statements

Golden Tag Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
Three months ended March 31, 2018 and 2017
(Unaudited)

	Note	**Three months Ended March 31, 2018**	Three months Ended March 31, 2017 Revised - Note 4
		$	$
Operating activities			
Net income (loss)		**(232,044)**	(102,810)
Non-cash items:			
Foreign Exchange		**-**	-
Changes in working capital items	14	**48,568**	(70,916)
Realized loss on sale of marketable securities		**-**	-
Unrealized loss (gain) on change in fair value of marketable securities	7	**188,500**	64,250
		5,024	(109,476)
Financing activity			
Net increase (decrease) in cash		**5,024**	(109,476)
Cash, beginning of period		**14,495**	243,745
Cash, end of period		**19,519**	134.269

The accompanying notes are an integral part of the consolidated financial statements

1. Nature of operation and going concern assumption

Golden Tag Resources Ltd. ("the Company") is incorporated under the Canada Business Corporations Act and is in the process of exploring its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The address of Golden Tag Resources Ltd.'s registered office and its principal place of business are 3608 Boul. St-Charles, Suite 16, Kirkland, Quebec, Canada. Golden Tag Resources Ltd.'s shares are listed on the TSX Venture Exchange, trading under the symbol "GOG."

These consolidated statements comprise the financial statements of Golden Tag Resources Ltd. and its wholly owned subsidiary, Golden Tag de Mexico S.A., incorporated in Mexico.

These consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and the Company has not yet generated income or cash flows from its operations. As at March 31, 2018, the Company had an accumulated deficit of $14,627,528 (14,395,484 as at December 31, 2017).

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and support its administrative overhead. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

These factors indicate the existence of a material uncertainty regarding the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, unless specifically stated in the consolidated financial statements.

2. Basis of presentation *(Continued from previous page)*

Functional and presentation currency
These condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated, which is the Company's functional currency. The functional currency of the Company's Mexican subsidiary is the US dollar. The Company has adopted the Canadian dollar as its presentation currency.

3. Summary of significant accounting policies

These accounting policies have been used throughout all periods presented in the consolidated financial statements.

Basis of consolidation
The Company's condensed interim consolidated financial statements represent those of the parent company and its subsidiary as at March 31, 2018 and December 31, 2017.

Intercompany transactions have been eliminated on consolidation.

Interests in Joint Arrangements
A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which we have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which we have rights to only the net assets of the arrangement. Joint operations are accounted for by recognizing our share of the assets, liabilities, revenue, expenses and cash flows of the joint operation in our consolidated financial statements.

Foreign currency translations
Foreign currency transactions are translated into the functional currency of each consolidated entity using the gain and loss from exchange rates prevailing at the dates of the transactions (spot exchange rate). Exchange differences resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss whereas the Company's net investment in its foreign subsidiary is recognized in other comprehensive income (loss). Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not re-translated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

The Mexican subsidiary has the US dollar as its functional currency, and its operations have been translated into Canadian dollars for presentation purposes as follows: assets and liabilities have been translated at the closing rate at the reporting date; revenues and expenses have been translated at the average rate over the reporting period. Exchange differences are recognized in other comprehensive income (loss) and recognized in the accumulated other comprehensive income (loss) in equity.

3. Summary of significant accounting policies *(Continued from previous page)*

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below:

Financial assets

For the purpose of subsequent measurement, the Company has classified its financial assets into one of the following categories upon initial recognition:

Fair value through profit or loss

Fair value through profit or loss comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company’s marketable securities fall into this category of financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and other receivables (excluding amounts receivable from governments) fall into this category of financial instruments.

Financial liabilities

The Company's financial liabilities include trade payables which are classified as other financial liabilities. Other financial liabilities are measured subsequently at amortized cost using the effective interest method. All interest-related charges are reported in profit or loss within finance costs.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty;
– default or delinquency in interest or principal payments; or
– it becoming probable that the borrower will enter bankruptcy or financial reorganization.

3. Summary of significant accounting policies *(Continued from previous page)*

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features of shared credit risk characteristics. The percentage of the write-down is then based on recent historical counterparty default rates for each identified group. Impairment of receivables is presented in profit or loss within other operating expenses.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was recognized. The carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Basic and diluted income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted income (loss) per share is calculated by adjusting income (loss) attributable to ordinary equity holders of the parent company, and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the beginning of the period or, if later, at the date of issue of the potential ordinary shares.

For the purpose of calculating diluted loss per share, an entity shall assume the exercise of dilutive options and warrants of the entity. The assumed proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding options and warrants as explained in Note 11.

Cash and cash equivalents

Cash and cash equivalents comprises of cash on deposit with a bank in general non-interest bearing accounts and interest generating money market accounts with no stipulated terms of maturity and that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value and of highly-liquid short-term investments initially maturing within three months of their acquisition date. The Company does not have any cash equivalents as at March 31, 2018, December 31, 2017, December 31, 2016 and January 1, 2016.

Marketable securities

Marketable securities comprise of shares of other publicly trading companies and are recorded at fair value as of the date of the statement of financial position. The difference from the original cost base is recorded as unrealized gain or loss in the statement of income (loss) and comprehensive income (loss).

Tax credits and credit on duties

The Company is entitled to a refundable credit on duties for losses under the Mining Duties Act. This refundable credit on duties for losses is applicable on exploration costs incurred in the Province of Quebec. Furthermore, the Company is entitled to a refundable tax credit for resources for mining companies on qualified expenditures incurred. In accordance with IAS 20 - *Accounting for government grants and disclosure of government assistance*, the credit on duties and the exploration tax credit have been applied against the costs incurred.

3. Summary of significant accounting policies *(Continued from previous page)*

Mineral properties

Mineral property expense include the cost of acquiring mining rights and expenses directly related to the exploration and evaluation of mining properties. These expenditures are expensed in the year they are incurred.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, related mining rights and expenses are capitalized. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, however these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Reclamation Obligations

Estimated reclamation costs are based on legal, environmental and regulatory requirements. The costs of active mining operations are accrued, on an undiscounted basis, as a production cost, on a unit-of-production method based on proven and probable reserves. The Company has made estimates of the final reclamation costs based on mine-closure plans approved by environmental agencies. The Company periodically review these estimates and update reclamation cost estimates if assumptions change. Material assumptions that are made in deriving these estimates include variables such as mine life and inflation rates. The Company currently has no such obligations accrued as they are trivial.

Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units (CGUs)). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment. An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less cost to sell and its value in use. To determine the value in use, management estimates expected future cash flows from each asset or cash-generating unit, and then determines an appropriate interest rate for the calculation of the expected present value of the cash flows.

An impairment loss is recognized immediately in the statement of income (loss) and comprehensive income (loss) and reduces the asset or is charged pro rata on the basis of the carrying amount of each asset in the cash-generating unit. All the assets are assessed whether there is any indication that an impairment loss recognized in prior periods may no longer exist. An impairment charge is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount but only to what the carrying amount would have been if an impairment was never recognised.

Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

3. Summary of significant accounting policies *(Continued from previous page)*

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted when the time value of money is significant.

All contingent liabilities are continually reviewed to determine whether an outflow of economic benefits has become probable. Where a contingent liability becomes probable that an outflow of future economic benefits will be required, a provision is recognized in the period in which the change in probability occurs. If at the end of the reporting period it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities arising from present obligations are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization. Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. The Company's operations are in compliance with current laws and regulations. Any provisions resulting from mining property restorations would be charged to the cost of the mining properties when it is possible to reasonably estimate the amount.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in net income (loss) except to the extent it relates to items recognized in other comprehensive income (loss) or directly in equity.

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on the difference between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

3. Summary of significant accounting policies ***(Continued from previous page)***

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and

are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of an asset to be recovered.

Equity

Share capital represents the amount received on the issue of shares, less issuance costs. Proceeds from unit placements are allocated between shares and warrants issued by: estimating the value of the warrants using the Black-Scholes options model; the fair value is allocated to warrants from the net proceeds and the balance is allocated to shares.

Options and warrants reserves include charges related to share options and warrants until such equity instruments are exercised. Deficit includes all current and prior period profits or losses.

Equity-settled share-based payment transactions

The Company operates equity-settled share-based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options for a cash settlement. All goods and services received in exchange for the grant of any share-based payments are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted estimated using the Black-Scholes options model. This fair value is appraised at the grant date.

All equity-settled share-based payments are ultimately recognized as an expense in net income (loss)depending on the nature of the payment with a corresponding credit to options and warrants reserves, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options have already vested.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in options and warrants reserves are then transferred to share capital. If the options expire unexercised, the related amount is reallocated to deficit.

3. Summary of significant accounting policies ***(Continued from previous page)***

Share purchase warrants

The Company has adopted the Black Scholes Valuation model with respect to the measurement of warrants issued as private placement units. This method allocates the proceeds received based on the fair value of the warrants, with any remaining value greater than the warrant's fair value being allocated to the common shares. The fair value attributed to the warrants is recorded as warrants reserve. When warrants are exercised, the value is transferred from warrants reserve to capital stock. If the warrants expire unexercised, the related amount is reallocated to deficit.

Segment reporting

In accordance with IFRS 8, Operating Segments, it is mandatory for the Company to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board of Directors in order to assess each segment's performance. In this regard, the Company conducts its business in a single operating segment being the acquisition, exploration and development of mineral properties. All mineral properties are located in Canada and Mexico as detailed in Note 8.

Comprehensive income (loss)

Comprehensive income (loss) is the total of profit (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with IFRS, require recognition, but are excluded from profit (loss). The Company's other comprehensive income (loss) represents foreign currency translation gains/losses related to translating the financial information of its Mexican subsidiary from its US functional currency to Canadian dollars for presentation purposes.

Fair value hierarchy

The Company classifies financial instruments recognised at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7 – Financial Instruments: Disclosures. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As at March 31, 2018, December 31, 2017, December 31, 2016 and January 1, 2016, the carrying value of the Company's financial instruments approximates their fair value due to the short period to maturity. Marketable securities (level 1) at December 31, 2017 and December 31, 2016 are valued at faire value.

There were no movements between levels during 2017 and 2016.

3. Summary of significant accounting policies *(Continued from previous page)*

Accounting standards issued but not yet effective

IFRS 2 Share based payment
On June 20, 2016, the IASB published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity. These changes are effective for annual periods beginning on or after January 1, 2018. Management is in the process of evaluating the impacts of these changes on the Company but does not anticipate any material impact on adoption of these amendments as it does not encounter these circumstances regularly.

IFRS 9, Financial Instruments
Issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Company and does not anticipate any material impact from adopting this standard due to the nature of its financial instruments.

IFRS 16, Leases
Replaces the current guidance in IAS 17. The standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. For lessors, the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts). This standard is effective for periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. Management is in the process of evaluating the impact of this standard on the Company and does not anticipate any material impact from adopting this standard due to immaterial nature of the leases entered into by the Company.

IAS 28 Investments in Associates and Joint Ventures
In October 2017, the IASB issued amendments to IAS 28. The amendments to the financial instruments Standard, IFRS 9, allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

The amendments to IAS 28 Investments in Associates and Joint Ventures clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied using IFRS 9 and does not anticipate any material impact from applying this amendment due to the immaterial nature and lack of achieving of these investments.

3. Summary of significant accounting policies *(Continued from previous page)*

IFRIC 22 Foreign Currency Transactions and Advance Consideration
Issued by the IASB in December 2016 and provides guidance on the issue of the "date of the transaction" for the purpose of determining the exchange rate at the time of the transaction, to apply to transactions that are within the scope of IAS 21, Effects of Changes in Foreign Exchange Rates, which involve the receipt or payment of an advance consideration in a foreign currency. The interpretation applies for annual reporting periods beginning on or after January 1, 2018. Management is in the process of evaluating the impact of this standard on the Company but has not yet quantified the result of the application of this interpretation.

IFRIC 23 Uncertainty Over Income Tax Treatments
Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. Management is in the process of evaluating the impact of this standard on the Company.

4. Change in accounting policy

On October 1, 2017, the Company retrospectively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and exploration and evaluation expenditures to the specific mineral properties, net of recoveries received.

Under the new policy, acquisition costs and deferred exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision by the board of directors to proceed with mine development are expensed as incurred. As required by IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company included the restated consolidated statement of financial position as at January 1, 2016. Management considers this accounting policy to provide more reliable and relevant information and more clearly represents the Company’s activities.

Exploration expenses for the San Diego property as at December 31, 2017 were $10,411,657. An amount of $16,384 was expensed for the property in Quarter 1, 2018 for a total amount at the end of the period of $10,426,041.

The impact of this change as at January 1, 2016 is as follows:

	As previously reported	Effect of change in accounting policy	As restated
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Mineral properties	9,812,597	(9,812,597)	-
Total assets	9,931,432	(9,812,597)	118,835
Deficit	(7,016,106)	(7,183,796)	(14,199,902)
Accumulated other comprehensive income	2,779,164	(2,628,801)	150,363
Total shareholders' equity	9,825,330	(9,812,597)	12,733
Total liabilities and shareholders' equity	9,931,432	(9,812,597)	118,835

4. Change in accounting policy (*continued from previous page*)

The impact of this change as at and for the three-month period ended March 31, 2017 is as follows:

	As previously reported	Effect of change in accounting policy	As restated
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Mineral properties	10,387,171	(10,387,171)	-
Total Assets	11,059,205	(10,387,171)	672,034
Deficit	(6,657,599)	(10,387,171)	(17,044,770)
Accumulated other comprehensive income	2,527,700	-	2,527,700
Total shareholders' equity	11,042,156	(10,387,171)	654,985
Total liabilities and shareholders' equity	11,059,205	(10,387.171)	672,034

	As previously reported	Effect of change in accounting policy	As restated
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)			
Management, consulting, and directors' fees	20,000	-	20,000
Professional fees	10,601	-	10,601
Offices service and sundry	6,258	-	6,258
Listings, filings, and transfer agency fees	9,303	-	9,303
Promotion and travel	-	-	-
Rent	3,066	-	3,066
Foreign Exchange	6,186	-	6,186
Expense of mineral properties	-	14,830	14,830
	55,414	14,830	70,244
Reversal of write-down on E&E assets	-	-	-
Finance Income	(64)	-	(64)
Proceeds on sale of exploration & evaluation assets	-	-	-
Other income	-	-	-
Unrealized loss on change in fair value of marketable securities	32,630	-	32,630
Net income (loss) for the period	**(87,980)**	**-**	**(102,810)**
Average number of shares – basic and diluted			68,653,995
Basic and diluted loss per share			(0.001)

4. Change in accounting policy (*continued from previous page*)

	As previously reported	Effect of change in accounting policy	As restated
CONSOLIDATED STATEMENTS OF CASH FLOWS			
Net income (loss)	(87,980)	(14,830)	(102,810)
Changes in working capital items	(70,916)	-	(70,916)
Unrealized loss (gain) on change in fair value of marketable securities	64,250	-	64,250

5. Critical accounting estimates, judgments and assumptions

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Judgments

Going Concern
The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as, expectations of future events that are believed to be reasonable under the circumstances (Note 1).

Deferred taxes
The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. As at December 31, 2017, December 31, 2016 and January 1, 2016, management has determined that deferred tax assets do not meet the criteria for recognition, and accordingly was not recorded (Note 13).

5. Critical accounting estimates, judgments and assumptions (*continued from previous page*)

Estimates

Share-Based Compensation
The Company uses the fair value method of valuing compensation expense associated with the Company's share-based compensation plan whereby notional shares are granted to employees, board of directors and key consultants. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The assumptions are discussed in Note 11.

Warrant Valuation

The Company uses the fair value method of valuing warrants associated with the Company's equity instrument issuances. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The assumptions are discussed in Note 10.

Collectability of sales taxes

The Company uses its best estimate of sales taxes credits to be received back from the respective governments and determining if an allowance needs to be taken.

6. Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports on the performance of the managerial units of the Company to the Board of Directors. An analysis of the Company's business segments is set out below:

	Canada	**Mexico**	**March 31, 2018**	Canada	Mexico	March 31, 2017 (revised)
	$	**$**	**$**	$	$	$
Other operating expenses	**46,628**	**28,021**	**74,649**	42,222	28,022	70,244

7. Marketable securities

	March 31, 2018 $	December 31, 2017 $
Balance as at January 1,	**1,044,000**	474,250
Additions (disposals) in the period:		
Sirios Resources Inc. 700,000 (1,000,000 shares 2017)	**(31,500)**	(212,000)
Rubicon 550,000 shares (Nil shares March 2017)		764,500
	-	(18,000)
	1,012,500	534,500
Unrealized gain (loss) on change in fair value of marketable securities	**(157,000)**	35,250
Balance as at March 31, 2018 and December 31, 2017	**855,500**	1,044,000

Marketable securities include the following components at fair value:

	March 31, 2018 $	December 31, 2017 $
Sirios Resources Inc. 700,000 shares (1,000,000 shares March 2017)	**168,000**	252,000
Rubicon 550,000 shares (Nil shares 2016)	**687,500**	792,000
	-	-
Total	**855,500**	1,044,000

8. Other receivables and long-term sales taxes receivable

Other receivables include the following components:

	March 31, 2018 $	December 31, 2017 $
Sales taxes receivable	**20,094**	13,869
Other	**-**	-
Total	**20,094**	13,869

Aging analysis	**March 31, 2018 $**	December 31, 2017 $
Current	**9,801**	5,648
30-90 days	**1,453**	1,867
Over 90 days (past due)	**8,840**	6,354
Total	**20,094**	13,869

The long-term sales taxes receivable are amounts in dispute with the Mexican government and the issue is currently in front of the Federal Administrative Justice Court.

9. Mineral properties

Ontario McCuaig Property

The Company and Rubicon Minerals Company had formed a joint operation in three mining claims in Red Lake, Ontario. The Company's participating interest in the property was 40%. In 2017, the Company sold its interest in the property for 550,000 shares of Rubicon Minerals (Note 7) valued at $764,500.

Mexico San Diego Property

The Company, through its wholly-owned subsidiary, and Golden Minerals Company (formerly ECU Silver Mining Inc.) held a 50% interest in the San Diego Property, Durango State, Mexico.

During the third quarter of 2016, the Company acquired the remaining 50% of the San Diego property for $500,000 USD in cash consideration and 2,500,000 shares of the Company, which were valued at $275,000, based on the stock price on the date of the issuance. Golden Minerals will retain a 2% NSR on the property. Golden Tag now holds a 100% interest in the property.

This is the only mining property that the Company holds the rights to explore as at March 31, 2018. 10.

Equity

Share capital

Authorized: An unlimited number of the following classes of shares:

Common shares, voting

Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Shares issued and fully paid	**#**	**$**
Total common shares issued and fully paid December 31, 2015	58,426,558	14,021,165
Issuance of shares on acquisition of exploration and evaluation assets (note 9)	2,500,000	275,000
Issuance of shares on private placement, net of issue costs of $88,065	18,000,000	394,509
Total common shares issued and fully paid December 31, 2017 and 2016	78,926,558	14,690,674

Share purchase warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares is as follows*:*

	2017		2016	
	#	**Weighted average exercise price $**	#	Weighted average exercise price $
Balance as at January 1,	**18,880,000**	**0.07-0.12**	-	-
Issued – on private placement	-	-	18,000,000	0.07-0.12

Issued – broker warrants	-	-	880,000	0.07-0.12
Expired	-	-	-	-
Balance as at December 31,	**18,880,000**	**0.07-0.12**	18,880,000	0.07-0.12

At December 31, 2017, the following exercisable warrants were outstanding:

Warrants	Price	Expiry
18,000,000	0.07-.012	June 27, 2021
880,0000	0.07-.012	June 28, 2018
18,880,000	0.07-.012	

10. Share-based payments

The Company has adopted share-based payment plans under which members of the Board of Directors may award options for ordinary shares to directors, officers, employees and consultants. The maximum number of shares issuable under the plans is 7,834,191 and the maximum number of shares which may be reserved for issuance to any one optionee may not exceed 5% of the common shares outstanding at the time of the grant. The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the ordinary shares on the day prior to the award date, and the term of the options cannot exceed five years and unexercised options are cancelled 30 days after termination of employment or directorship. The option's exercise price and vesting period is established by the Board of Directors at the time of grant. All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

Outstanding Options entitle their holders to subscribe to an equivalent number of common shares is as follows*:*

	2017		2016	
	#	**Weighted average exercise price $**	#	Weighted average exercise price $
Balance as at January 1,	**250,000**	**0.22**	250,000	0.22
Issued	**3,200,000**	**0.05**	-	-
Expired	**(250,000)**	**0.22**	-	-
Balance as at December 31,	**3,200,000**	**0.05**	250,000	0.22

The options fair value was determined to be $91,996 using the Black Scholes model with the following assumptions: life of 5 years, volatility of 100%, risk free interest rate of 1.82% and dividends yield of 0%. None of the options are exercisable as at December 31, 2017. Volatility is calculated based on comparable companies

11. Income (loss) per share

The calculation of basic income (loss) per share is based on the income (loss) for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted income (loss) per share, potential ordinary shares such as share options and warrants have not been included as their exercise prices were higher than the Company's share price as at December 31, 2017 and 2016. Details of share options and warrants issued that could potentially dilute income (loss) per share in the future are given in Note 10 and Note 11.

Both the basic and diluted income (loss) per share have been calculated using the income (loss) as the numerator, i.e. no adjustment to the income (loss) were necessary for the years ended December 31, 2017 and December 31, 2016 respectively.

	2017	2016
	$	$
Income (loss) for the year	**357,966**	(594,655)
Weighted average number of shares in circulation	**78,926,558**	68,653,995
Basic and diluted income (loss) per share	**0.005**	(0.009)

12. Income taxes

a) *Deferred tax assets and liabilities of the Company are as follows:*

Canada:

	December 31, 2017	December 31, 2016
	$	$
Deferred tax assets		
Non-capital losses carried forward	**387,508**	519,409
Exploration and evaluation assets	**607,202**	607,202
Marketable securities	**75,326**	79,997
Share issue costs	**18,615**	24,820
Total deferred tax assets	**1,088,651**	1,231,428
Deferred tax assets not recognized	**(1,088,651)**	(1,231,428)
Net deferred tax asset	**-**	-

Mexico:

	December 31, 2017	December 31, 2016
	$	$
Deferred tax assets		
Net operating loss carried forward	**142,631**	47,735
Exploration and evaluation assets	**2,918,111**	3,121,668
Total deferred tax assets	**3,060,742**	3,169,403
Deferred tax assets not recognized	**(3,060,742)**	(3,169,403)
	-	-

13. Income taxes *(Continued from previous page)*

b) Reconciliation of income tax expense:

	2017	2016
	$	$
Expected income tax expense (recovery) (26.80%, 2016 – 26.90%)	**95,935**	(159,963)
Share issue costs	**-**	(31,025)
Unrealized loss on marketable securities	**16,391**	79,997
Foreign tax rate and other differences	**254,500**	75,191
Foreign exchange impact of conversion to functional currency	**(95,475)**	(37,375)
Deferred tax assets not recognized	**(271,351)**	73,175
Income tax expense	**-**	-

Decrease in the tax rate to 26.8% is due to decrease in Quebec corporate income tax rates from 11.9% to 11.8%

c) Tax loss carry-forwards:

The Company has non-capital loss carry forward of approximately $1,462,295 (2016 - $1,960,034) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

2030		206,380
2031		396,373
2032		457,615
2033		308,916
2034		93,011
	$	1,462,295

The Company has net operating loss carryforwards of approximately $475,437 (2016 - $158,610) which may be carried forward to apply against future year income tax for Mexican tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

2020	$	5,377
2021		21,825
2022		9,750
2023		1,125
2024		58,635
2025		16,040
2026		35,440
2027		327,245
	$	475,437

14. Additional cash flow information

The changes in working capital items are as follows:

	March 31, 2018 $	March 31, 2017 (Revised) $
Other receivables	**(6,148)**	223
Prepaid expenses and deposits	**3,641**	(3,525)
Trade Payables and accrued liabilities	**51,075**	(67,614)
	48,568	(70,916)

15. Related party transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors, as well as members of key management personnel remuneration includes the following expenses:

Related party	**3 Months ended March 31, 2018 $**	3 Months ended March 31, 2017 $
Management and administration fees paid to private companies controlled by directors	**22,500**	20,000
Management and administrative fees paid to directors	**-**	-
Mineral properties expenditures paid to private companies controlled by directors	**9,262**	5,000

15. Related party transactions *(Continued from previous page)*

During the 2017 year, the Company expensed share-based compensation for stock options granted to key management personnel of $8,664 (2016 – NIL).

Of the options granted in the 2017 year 3,000,000 were to directors of the company. The related expense for the year was $8,664.

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16. Capital management policies and procedures

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company's capital items are cash and cash equivalents, marketable securities and common shares. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. 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. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the year ended December 31, 2017. The Company is not subject to externally imposed capital requirements.

17. Financial instruments risks

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 3. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Company's short- to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk, market risk on the marketable securities nd certain other price risks, which result from both its operating and investing activities. No changes were made in the objectives, policies and processes during the reporting periods.

Foreign currency risk

Most of the Company's transactions are carried out in Canadian dollars. Exposures to currency exchange rates arise from the Company's expenses in foreign currency, which are primarily denominated in US dollars and Mexican Pesos since a portion of the Company's expenditures related to exploration and evaluation activities are incurred in US dollars and Mexican Pesos. The Company does not enter into arrangements to hedge its foreign exchange risk.

Financial instruments denominated in foreign currency are as follows:

Short-term exposure	**March 31, 2018**	December 31, 2017
	$	$
US dollars		
Cash	**4,303**	2,522

Trade payables and accrued liabilities	**(8,360)**	(7,824)
Total short-term exposure	**(4,057)**	(5,302)

Short-term exposure	**March 31, 2018**	December 31, 2017
	$	$
Mexican Pesos		
Cash	**7,688**	4,845
Trade payables and accrued liabilities	**(47,483)**	(11,426)
Total short-term exposure	**(39,795)**	(6,581)

Credit risk

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets. The Company has no trade accounts. None of the Company's financial assets are secured by collateral or other credit enhancements. The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

The Company's liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	Within 3 months	
	March 31, 2018	December 31, 2017
	$	$
Trade payables and accrued liabilities	**81,625**	30,549

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

17. Contingencies and commitments

The Company’s operations are subject to governmental laws and regulations regarding environmental protection. Environments consequences, their impact and their duration are difficult to determine. To the best of its knowledge, management believes that the Company’s operations are in compliance with all applicable laws and regulations. Provisions for estimated costs are recorded when environmental remedial efforts are likely and costs can be reasonably estimated.

The Company has an executive services agreement in place, with a private company controlled by one of its directors, dated October 1, 2013 for a five year term, and renewed during the current year until October 1, 2020, whereby a sum equivalent to both the Base Fees of $65,000 and the Conditional Fees of $80,000 for the next two-year period, irrespective of the Company's financial condition, is to be made should the director die or become permanently incapacitated in a manner that prevents his private company from properly performing the services. In the last two years of this 5 year contract, the foregoing amounts shall be recued to one year future fees from two years.