STRIKEPOINT GOLD INC.

Consolidated Financial Statements

Year Ended December 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
StrikePoint Gold Inc.

Opinion

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of StrikePoint Gold Inc. as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

April 30, 2019

(Expressed in Canadian dollars)

		2018		2017
ASSETS				
Current				
Cash and equivalents	$	533,703	$	5,379,383
Receivables		49,218		164,031
Prepaid expenses and deposits		15,129		15,280
		598,050		5,558,694
Reclamation bond		10,000		-
Equipment (Note 4)		1,157		2,546
	$	609,207	$	5,561,240
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 11)	$	275,057	$	214,823
Shareholders' equity				
Share capital (Note 12)		33,305,112		30,869,358
Special warrants (Note 6 and 12)		384,000		-
Reserves (Note 12)		7,524,304		7,156,406
Deficit		(40,879,266)		(32,679,347)
		334,150		5,346,417
	$	609,207	$	5,561,240

Nature of operations and going concern (Note 1)
Subsequent events (Note 18)

On behalf of the Board:

"Shawn Khunkhun" Director
Shawn KhunKhun

"Ian Harris" Director
Ian Harris

See accompanying notes to these consolidated financial statements

STRIKEPOINT GOLD INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEAR ENDED DECEMBER 31
(Expressed in Canadian dollars)

	2018	2017
EXPENSES		
Amortization (Note 4)	$ 1,389	$ 1,860
Consulting (Note 13)	298,000	194,074
Exploration costs (Notes 5 & 6)	5,088,851	2,336,173
Management fees (Note 13)	182,000	180,000
Office	46,064	35,144
Professional fees (Note 13)	138,861	145,571
Property acquisition payments (Notes 6 & 7)	1,837,500	4,192,500
Property investigation costs	5,262	-
Property option payments (Note 9)	-	16,900
Rent	36,000	36,000
Shareholder communication	195,373	220,458
Share-based payments (Note 12)	337,652	1,159,601
Transfer agent and filing fees	64,468	65,410
Travel and related costs	27,392	15,860
Loss from operations	(8,258,812)	(8,599,551)
Gain on sale of Black Raven property (Note 3)	-	622,925
Realized loss on sale of investments (Note 3)	-	(397,892)
Unrealized loss on investments (Note 3)	-	(26,203)
Interest income	58,893	26,515
	58,893	225,345
Loss and comprehensive loss for the year	$ (8,199,919)	$ (8,374,206)
Loss per common share (basic and diluted)	$ (0.12)	$ (0.17)
Weighted average number of common shares outstanding (basic and diluted)	66,752,652	50,622,975

See accompanying notes to these consolidated financial statements.

(Expressed in Canadian dollars)

		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(8,199,919)	$	(8,374,206)
Items not affecting cash:				
Acquisition payment by issuance of common shares		1,178,500		4,044,400
Acquisition payment by issuance of special warrants		384,000		-
Amortization		1,389		1,860
Realized loss on sale of investments		-		397,892
Unrealized loss on investments		-		26,203
Gain on sale of Black Raven property		-		(622,925)
Property option payments by issuance of common shares		-		-
Share-based payments		337,652		1,159,601
Change in non-cash working capital items:				
(Increase) decrease in receivables		114,813		(136,493)
Increase in prepaid expenses and deposits		151		(12,226)
Increase in accounts payable and accrued liabilities		60,234		175,836
Net cash used in operating activities		(6,123,180)		(3,340,058)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments		-		214,608
Proceeds from sale of mineral property		-		15,000
Purchase of reclamation bond		(10,000)		-
Net cash provided by (used in) investing activities		(10,000)		229,608
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares, net of issuance costs		1,287,500		7,504,178
Proceeds from the exercise of stock options		-		50,000
Net cash provided by financing activities		1,287,500		7,554,178
Change in cash and equivalents during the year		(4,845,680)		4,443,728
Cash and equivalents, beginning of year		5,379,383		935,655
Cash and equivalents, end of year	$	533,703	$	5,379,383
Cash and equivalents consists of:				
Cash	$	183,703	$	379,383
Guaranteed Investment Certificates		350,000		5,000,000
	$	533,703	$	5,379,383

See accompanying notes to these consolidated financial statements.

(Expressed in Canadian dollars)

	Share Capital					
	Number	Amount	Special Warrants	Reserves	Deficit	Total
Balance at December 31, 2016	25,752,683	$ 19,660,942	$ -	$ 5,575,865	$ (24,305,141)	$ 931,666
Shares issued for mineral property acquisition	10,510,000	4,044,400	-	-	-	4,044,400
Shares issued for private placements, net	23,461,154	7,035,713	-	468,465	-	7,504,178
Stock options exercised	250,000	97,525	-	(47,525)	-	50,000
Shares issued for finder's fee on sale of property	61,555	30,778	-	-	-	30,778
Share-based payments	-	-	-	1,159,601	-	1,159,601
Loss for the year	-	-	-	-	(8,374,206)	(8,374,206)
Balance at December 31, 2017	60,035,392	30,869,358	-	7,156,406	(32,679,347)	5,346,417
Shares issued for mineral property acquisition	7,350,000	1,178,500	-	-	-	1,178,500
Special Warrants issued for property acquisition*	-	-	384,000	-	-	384,000
Shares issued for private placements, net	6,700,000	1,257,254	-	30,246	-	1,287,500
Share-based payments	-	-	-	337,652	-	337,652
Loss for the year	-	-	-	-	(8,199,919)	(8,199,919)
Balance at December 31, 2018	74,085,392	$ 33,305,112	$ 384,000	$ 7,524,304	$ (40,879,266)	$ 334,150

* **Note**: Each special warrant is convertible into one common share of the Company at any time without additional consideration for a five-year period (Notes 6 and 12).

See accompanying notes to these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

StrikePoint Gold Inc. (the "Company" or "Strikepoint") is incorporated under the laws of the Province of Alberta and is listed on the TSX Venture Exchange under the symbol "SKP". The Company is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company's head office and principle address is 507-837 West Hastings Street, Vancouver, BC, V6C 3N6. The registered and records office is located at 777 Hornby Street, Suite 2080, Vancouver, BC, V6Z 1S4.

These consolidated financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or to realize future profitable production or proceeds from the disposition of a property. As at December 31, 2018, the Company has an accumulated deficit of $40,879,266 and has working capital of $322,993. Subsequent to December 31, 2018, the Company completed a financing of $1,271,920 (Note 18). However, additional financing will be required to carry out exploration and development of its properties. The Company's current forecast indicates that it will have sufficient cash for at least the next year to continue as a going concern.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These consolidated financial statements were authorized for issue on April 30, 2019 by the directors of the Company.

Principles of consolidation

These consolidated financial statements include the accounts of its wholly-owned inactive subsidiary Braveheart Gold Inc. All intercompany accounts and transactions have been eliminated on consolidation.

Basis of preparation

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars unless otherwise noted.

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

Critical accounting estimates, judgments and assumptions

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

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and stock-based share issuance costs included in equity. The share-based payments expense and stock-based share issuance costs are estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined to be the Canadian dollar for the Company and its subsidiary. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in a currency other than the Canadian dollar are translated at the exchange rate at the reporting date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss in the year in which they arise.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, payments made and/or received under option and joint venture agreements and costs associated with exploration and evaluation activity.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the consolidated statements of loss and comprehensive loss.

Exploration and evaluation expenditures related to the determination of a property or project's feasibility and exploration expenditures and payments pursuant to option and joint venture agreements made and/or received prior to the determination of the technical feasibility and commercial feasibility of a mineral property are expensed in the consolidated statements of loss and comprehensive loss as incurred.

Proceeds from the sale of mineral licenses and related net smelter returns prior to the determination of the feasibility of the mineral property are recognized in the consolidated statements of loss and comprehensive loss when sold.

Exploration and evaluation expenditures including payments pursuant to option and joint venture agreements made after a mineral property has been deemed commercially feasible are capitalized as development assets.

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

Exploration and evaluation expenditures *(cont'd)*

To date the Company's mineral properties have not advanced past the exploration stage and, accordingly, no amounts have been capitalized in respect of exploration and evaluation expenditures.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. When the options are exercised, the applicable amounts of option reserves are transferred to share capital.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive.

Flow-through shares

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

Cash and cash equivalents

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes. As of December 31, 2018, the Company had $350,000 (2017 - $5,000,000) in cash equivalents.

Share issue costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issue costs related to uncompleted share subscriptions are charged to operations.

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

Valuation of warrants

Proceeds from unit placements are allocated between shares and warrants using the residual value method whereby the shares are recorded at fair value and any residual is allocated to the warrant. The value of warrants issued to brokers is determined using the Black-Scholes model.

Financial instruments

On January 1, 2018, the Company adopted IFRS 9 – *Financial Instruments,* which replaces IAS 39 Financial Instruments – *Recognition and Measurement*. The new standard provides guidance that is based on the Company's business model for managing its financial instruments, which includes the purpose for which the financial instruments were acquired as well as their contractual cash flow characteristics.

IFRS 9 retains, but simplifies, the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL"). It also includes a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own-credit risk in other comprehensive income for any liabilities designated as FVTPL.

Determination of the classification of financial instruments is made at initial recognition and reclassifications are made only upon the Company changing its business model for managing its financial instruments. Financial assets are derecognized when they mature or are sold, and substantially all of the risks and rewards of ownership have been transferred. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, upon initial recognition the Company can make a one-time irrevocable election to designate them as FVTOCI.

Upon adoption of IFRS 9 on a retrospective basis, the Company maintained its accounting policy for investments (Note 3) as FVTPL Therefore, there was no impact on the carrying values or equity as at January 1, 2018 and no measurement differences due to adopting the new standard. Accordingly, the Company was not required to retroactively restate the comparative periods or to make an adjustment to deficit or accumulated other comprehensive income at January 1, 2018. As a result of adopting IFRS 9, the Company's accounting policy for financial instruments has been modified to include the following:

Financial assets

FVTPL
Financial assets classified as FVTPL are initially recognized at fair value with transaction costs being expensed in the period incurred. Realized gains and losses recognized upon de-recognition and unrealized gains and losses arising from changes in the fair value of the financial assets are included in profit or loss in the period in which they arise.

FVTOCI
Investments in equity instruments classified as FVTOCI are initially recognized at fair value plus transaction costs. Unrealized gains and losses arising from changes in fair value are recognized in other comprehensive income with no subsequent reclassification to profit or loss upon de-recognition. Realized gains and losses recognized upon de-recognition remain within accumulated other comprehensive income.

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

***Financial instruments** (cont'd)*

Amortized cost
A financial asset is measured at amortized cost if the objective of the Company's business model is to hold the instrument for the collection of contractual cash flows, which are comprised solely of payments of principal and interest. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Impairment losses are included in profit or loss in the period the impairment is recognized.

Financial liabilities
The Company's financial liabilities include accounts payable and accrued liabilities and are measured at amortized cost.

The Company completed an assessment of its financial instruments as at January 1, 2018. The following table summarizes the original classification under IAS 39 and the new classification under IFRS 9:

	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

See Note 14 for relevant disclosures.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statements of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

Impairment of assets (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. A reversal of an impairment loss is recognized immediately in the statements of loss and comprehensive loss.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the statement of financial position liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, the income taxes relate to the same taxable entity and the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

Equipment

Equipment is comprised of office and computer equipment which are carried at cost and amortized on a declining balance basis over the estimated service lives of the assets at rates ranging from 20% to 30%. Amortization methods, useful lives and residual values are reviewed at each reporting date.

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

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets, when those obligations result from the acquisition, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the year.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

The Company does not have any significant restoration or environmental obligations as at December 31, 2018 and December 31, 2017.

New Accounting Standards not yet adopted

The following standards, amendments and interpretations are effective for years beginning on or after January 1, 2019. Pronouncements that are not applicable to the Company have been excluded from those described below.

- IFRS 16 Leases - IFRS 16 replaces IAS 17 to become the new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The Company does not expect the impact of this new standard on its consolidated financial statements to be material.

(Expressed in Canadian dollars)

3. INVESTMENTS

On April 24, 2017, the Company received 1,250,000 common shares of Canadian Orebodies Inc. ("CORE"), a Canadian public company, in conjunction with the sale of the Company's Black Raven property (Note 7), with a fair value on the date of receipt of $612,500 and a gain on sale recognized of $622,925. During December 2017, the Company sold the CORE shares for proceeds totalling $214,608, which resulted in a realized loss of $397,892.

On April 24, 2017, the Company also received 250,000 common share purchase warrants of CORE. Each warrant entitles the Company to acquire one common share at $0.63 for a one-year period. The fair value on the date of grant was $26,203, based on the Black-Scholes option pricing model. The Company used the following assumptions in the calculation: a risk-free rate of 0.72%, an expected life of one year, a volatility of 94.4% and a dividend rate of 0%. As at December 31, 2017, the fair value of the CORE warrants was assessed as $Nil, which resulted in an unrealized loss of $26,203.

4. EQUIPMENT

		Furniture & equipment
Cost		
Balance, December 31, 2016, 2017 and 2018	$	79,984
Accumulated amortization		
Balance, December 31, 2016	$	75,578
Amortization		1,860
Balance, December 31, 2017		77,438
Amortization		1,389
Balance, December 31, 2018	$	78,827
Carrying amounts		
As at December 31, 2017	$	2,546
As at December 31, 2018	$	1,157

(Expressed in Canadian dollars)

5. YUKON PROPERTIES

On March 28, 2017, the Company signed a definitive agreement with IDM Mining Ltd. ("IDM"), a Canadian public company, to purchase a 100% interest in a portfolio of 14,031 claims defining 22 properties over 282,000 hectares located in the Yukon, Canada. The terms of the agreement are as follows:

- pay $150,000 in cash (paid);
- issue 10,500,000 common shares of the Company with a value of $4,042,500 (issued); and
- incur $1,500,000 in exploration expenditures by December 31, 2017 (incurred).

IDM has been granted an equity participation right, allowing it to maintain its pro-rata interest. IDM has a right of first refusal for two years on the sale of any of the Yukon properties.

Exploration Costs	Yukon Properties	Porter Idaho Property (Note 6)	Handsome Jack Property (Note 7)	Lobstick Property (Note 9)	**Total – Year ended December 31, 2018**
Claim renewals	$ 43,842	$ -	$	$ -	$ 43,842
Drilling and assaying costs	289,889	810,768	1,658	-	1,102,315
Field costs	1,083,311	792,815		-	1,876,126
Geological consulting	462,500	305,038		4,600	772,138
Helicopter and fuel	628,682	662,741		-	1,291,423
Reports	3,007	-		-	3,007
Total	$ 2,511,231	$ 2,571,362	$ 1,658	$ 4,600	$ 5,088,851

Exploration Costs	Yukon Properties	(Note 9) Lobstick Property	**Total - Year ended December 31, 2017**
Claim renewals	$ 190,470	-	$ 190,470
Drilling and assaying costs	806,872	-	806,872
Field costs	441,553	-	441,553
Geological consulting	206,847	27,110	233,957
Helicopter and fuel	625,499	-	625,499
Reports	37,822	-	37,822
Total	$ 2,309,063	$ 27,110	$ 2,336,173

6. PORTER IDAHO PROPERTY

On August 15, 2018 (and amended February 11, 2019), the Company completed the acquisition of the Porter Idaho property, near Stewart, British Columbia, from Skeena Resources Limited (TSXV: SKE) (“Skeena”) (the “Porter Idaho Transaction”), whereby the Company will purchase the property indirectly through the acquisition of all of the shares of Mount Rainey Silver Inc., a wholly-owned subsidiary of Skeena. The terms of the Porter Idaho Transaction are as follows:

- $1,500,000 payable in cash to Skeena ($250,000 was paid on completion of the Porter Idaho Transaction with $1,250,000 to be paid over the ensuing period ending December 31, 2019 ($500,000 paid subsequent to December 31, 2018), with the final $750,000 to be paid in cash or in the equivalent value of common shares or special warrants of the Company, at the Company’s election) ;
- issuance to Skeena of 7,100,000 Strikepoint common shares (issued August 15, 2018 – valued at $1,136,000);
- issuance to Skeena of 2,400,000 special warrants of Strikepoint (issued August 15, 2018 – valued at $384,000). The special warrants have a five-year term. Each special warrant will be convertible into common shares of the Company for no additional consideration at such time that Skeena elects to convert.
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of $750,000.

Until such time as the purchase price has been paid in full, if the Company completes an equity or debt financing, the Company must pay to Skeena 50% of the net proceeds from a financing if the proceeds are less than $1 million and 100% of the net proceeds if the proceeds exceed $1 million, not to exceed any remaining purchase price obligation.

7. HANDSOME JACK PROPERTY

During August, 2018, the Company completed an acquisition agreement with Trifecta Gold Ltd. (TSXV: TG) (“Trifecta”) to purchase the Handsome Jack property, adjacent to the Porter Idaho property, near Stewart, British Columbia (the “Transaction”). The terms of the Transaction are as follows:

- $25,000 payable in cash to Trifecta (paid);
- issuance to Trifecta of 250,000 Strikepoint common shares (issued – valued at $42,500); and
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of $500,000.

8. BIG, BADA AND BOOM PROPERTIES

During September 2018, the Company acquired, by staking, the Big, Bada and Boom properties contiguous to its Porter Idaho and Handsome Jack properties near Stewart, BC. Staking costs totaled $2,547.

9. LOBSTICK OPTION AGREEMENT

On November 26, 2013, the Company entered into an option agreement with an unrelated individual (the “Optionor”) whereby the Optionor granted the Company the option to acquire a 100% undivided right, title and interest in the optioned property (the “Lobstick Property”) located in the Lobstick area near Lake of the Woods, Ontario.

The Company earned its 100% interest in the Lobstick Property during December 2017.

(Expressed in Canadian dollars)

9. LOBSTICK OPTION AGREEMENT (cont'd)

Following the exercise of the option, the Company must pay and issue to the Optionor:

- $50,000 plus 100,000 common shares of the Company within 30 days of filing a technical report under National Instrument 43-101 demonstrating mineral resources on any part of the Lobstick Property;

- $50,000 plus 100,000 common shares of the Company within 30 days of filing a positive, bankable feasibility study (as defined under National Instrument 43-101) with respect to any part of the Lobstick Property; and

- A 3% net smelter return royalty with respect to the Lobstick Property upon commencement of commercial production, for which the Company may repurchase two-thirds of the 3% net smelter return royalty from the Optionor for $1,000,000 for each one-third repurchased.

10. ANGELINA PROPERTY - MANITOBA

The Company's owns a 100% interest in the Angelina property, located in Rice Lake Belt, Manitoba. The property is on care and maintenance.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2018		December 31, 2017
Accounts payable	$	250,057	$	189,823
Accrued liabilities		25,000		25,000
Total	$	275,057	$	214,823

12. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at December 31, 2018, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

b) Issued share capital

Fiscal 2017

On March 23, 2017, the Company issued 6,779,664 flow-through shares at $0.295 per share for gross proceeds of $2,000,001. There was no flow-through share premium with respect to this placement. A Finder's fee, totalling $140,000 and 474,576 finder's warrants, was paid in conjunction with this private placement. The finder's warrants are exercisable at $0.295 per share for a period of two years. The warrants were valued at $157,814 using the Black-Scholes option pricing model.

On April 3, 2017, the Company issued 3,524,490 units at $0.295 per unit for gross proceeds totalling $1,039,725. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.50 per share for a two-year period. Finders' fees totalling $65,873 and 223,334 finders' warrants, exercisable at $0.295 per share for a period of two years, were paid in conjunction with this private placement. The warrants were valued at $53,833 using the Black-Scholes option pricing model.

12. SHARE CAPITAL AND RESERVES (cont'd)

(b) Issued share capital (cont'd)

Fiscal 2017 (cont'd)

On April 24, 2017, the Company issued 250,000 common shares pursuant to the exercise of 250,000 stock options, for proceeds of $50,000. On exercise, $47,525 was reclassified to share capital from reserves.

On May 2, 2017, the Company issued 13,157,000 flow-through units at $0.38 per unit for gross proceeds totalling $4,999,660. Each flow-through unit consisted of one flow-through common share and one-half non-flow-through share purchase warrant, with each whole warrant being exercisable at a price of $0.50 per share for a two year period. There was no flow-through share premium with respect to this placement. Finders' fees totalling $280,763 and 738,850 finders' warrants, exercisable at $0.38 per share for a period of two years, were paid in conjunction with this private placement. The warrants were valued at $256,818 using the Black-Scholes option pricing model. Other issuance costs totalling $48,572 were incurred in conjunction with this private placement.

Fiscal 2018

On April 27, 2018, the Company issued 4,150,000 units at $0.20 per unit for gross proceeds totalling $830,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.40 per share for a two-year period. Finders' fees totalling $52,500 and 262,500 finders' warrants, exercisable at $0.20 per share for a period of two years, were paid in conjunction with this private placement. The warrants were valued at $30,246 using the Black-Scholes option pricing model.

On July 23, 2018, the Company issued 2,550,000 units for proceeds totalling $510,000 in conjunction with the closing of a non-brokered private placement. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.30 per share for a two-year period. There was no finder's fee payable in conjunction with this private placement.

On August 15, 2018, the Company issued 7,100,000 common shares and 2,400,000 special warrants, valued at $1,136,000 and $384,000, respectively, pursuant to the Porter Idaho property acquisition described in Note 6, for which the market value on the date of issuance was $0.16 per share and per special warrant. Each special warrant is convertible, at any time, into one common share of the Company for a five-year period for no additional consideration.

On August 24, 2018, the Company issued 250,000 common shares valued at $42,500 pursuant to the Handsome Jack property acquisition described in Note 7, for which the market value on the date of issuance was $0.17 per share.

c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

(Expressed in Canadian dollars)

12. SHARE CAPITAL AND RESERVES (cont'd)

c) Stock options (cont'd)

Details of stock options outstanding and exercisable as at December 31, 2018 are as follows:

Number of Shares	Exercise Price	Expiry Date
1,200,000	$0.15	April 26, 2021
500,000	$0.30	October 25, 2021
3,455,000*	$0.43	May 9, 2022
250,000	$0.38	August 7, 2022
2,000,000	$0.20	September 25, 2023
7,405,000		

* subsequent to December 31, 2018, 1,200,000 options were forfeited.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2016	2,000,000	$ 0.35
Forfeited	(50,000)	0.35
Granted	4,230,000	0.43
Exercised	(250,000)	0.20
Balance, December 31, 2017	5,930,000	0.36
Forfeited	(525,000)	0.42
Granted	2,000,000	0.20
Balance, December 31, 2018	7,405,000	$ 0.31
Balance, exercisable, December 31, 2018	7,405,000	$ 0.36

d) Share-based payments

During January 2017, the Company granted stock options to a consultant to acquire up to 125,000 common shares with a grant date fair value of $0.39 per option, resulting in stock-based payments expense of $47,290, using the Black-Scholes option pricing model.

During May, 2017, the Company granted stock options to directors, officers and consultants to acquire up to 3,855,000 common shares with a grant date fair value of $0.43 per option, resulting in stock-based payments expense of $1,051,215, using the Black-Scholes option pricing model.

During August, 2017, the Company granted stock options to a consultant to acquire up to 250,000 common shares with a grant date fair value of $0.38 per option, resulting in stock-based payments expense of $61,096, using the Black-Scholes option pricing model.

During September 2018, the Company granted stock options to directors, officers and a consultant to acquire up to 2,000,000 common shares with a grant date fair value of $0.20 per option, resulting in stock-based payments expense of $337,652 using the Black-Scholes option pricing model.

(Expressed in Canadian dollars)

12. SHARE CAPITAL AND RESERVES (cont'd)

d) Share-based payments

The Company applies the fair value method using the Black-Scholes option pricing model to account for stock options granted to directors, officers and consultants. The following assumptions were used to calculate the weighted average fair value of the stock options granted during the period:

	2018	2017
Risk-free interest rate	2.32%	0.77%
Expected life of options	5 years	5 years
Annualized volatility	167%	83%
Dividend rate	0%	0%
Forfeiture rate	0%	0%

e) Warrants

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2016	-	$	-
Issued	11,539,750		0.48
Balance, December 31, 2017	11,539,750	$	0.48
Issued	4,150,000		0.40
Issued	262,500		0.40
Issued	2,550,000		0.30
Balance, December 31, 2018	18,502,250	$	0.44

Details of warrants outstanding and exercisable as at December 31, 2018 are as follows:

Number of Shares	Exercise Price	Expiry Date
474,576	$0.295	March 22, 2019*
223,334	$0.295	April 2, 2019*
3,524,490	$0.50	April 2, 2019*
738,850	$0.38	May 1, 2019
6,578,500	$0.50	May 1, 2019
262,500	$0.40	April 27, 2020
4,150,000	$0.40	April 27, 2020
2,550,000	$0.30	July 23, 2020
18,502,250		

*Expired unexercised subsequent to December 31, 2018

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, the Company entered into the following transactions with related parties:

a) Paid or accrued management fees of $180,000 (2017 - $180,000) to the CEO of the Company.

b) Paid or accrued professional fees of $78,000 (2017 - $67,000) to a company controlled by the Corporate Secretary of the Company.

c) Paid or accrued consulting fees of $36,000 (2017 - $27,000) to a company controlled by a director of the Company, consulting fees of $Nil (2017 - $16,000) to a company controlled by a former director of the Company, and $30,000 (2017 - $14,000) to directors of the Company

d) Paid or accrued geological consulting fees of $998,804 (2017 - $551,713) to a company controlled by the Company's former vice-president of exploration.

e) Recorded share-based payment expense of $320,769 (2017 - $663,880) in conjunction with the granting of stock options to directors and officers of the Company.

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

	December 31, 2018	December 31, 2017
Short-term benefits	$ 1,322,804	$ 855,713
Share-based payments	320,769	663,880

14. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments include cash and equivalents, receivables, and accounts payable and accrued liabilities. The carrying value of these financial instruments, other than cash and equivalents, approximates their fair value. Cash and equivalents is measured based on Level 1 inputs of the fair value hierarchy.

The following is an analysis of the Company's financial assets measured at fair value as at December 31, 2018 and December 31, 2017:

	As at December 31, 2018		
	Level 1	**Level 2**	**Level 3**
Cash and equivalents	$ 533,703	$ -	$ -

14. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd)

	As at December 31, 2017		
	Level 1	**Level 2**	**Level 3**
Cash and equivalents	$ 5,379,383	$ -	$ -

Risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has cash balances but no interest-bearing debt. The bank account is held with a major Canadian bank. As all of the Company's cash and equivalents are held by one bank, there is a concentration of credit risk with the bank. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes.

Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk have been assessed as high.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation interests, acquire additional exploration and evaluation interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

(Expressed in Canadian dollars)

15. CAPITAL MANAGEMENT (cont'd)

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

16. SEGMENTED INFORMATION

The primary business of the Company is the acquisition and exploration of mineral properties in Canada.

17. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2018		2017
Loss for the year	$	(8,119,919)	$	(8,374,206)
Combined statutory tax rate		27%		26%
Expected income tax recovery at statutory rates	$	(2,214,000)	$	(2,177,000)
Change in statutory rates		-		(201,000)
Permanent difference		91,000		299,000
Impact of flow through shares		1,259,000		607,000
Share issue costs		(14,000)		(139,000)
Change in unrecognized deductible temporary differences and other		878,000		1,611,000
Total income tax expense	$	-	$	-

The significant components of the Company's unrecognized temporary differences and unused tax losses are as follows:

	Expiry date range		2018		2017
Non-capital losses carried forward	2026-2037	$	6,601,000	$	6,011,000
Exploration and evaluation assets	No expiry	$	9,729,000	$	7,467,000
Property and equipment	No expiry	$	62,000	$	62,000
Share issue costs	2038-2041	$	365,000	$	432,000
Canadian eligible capital	No expiry	$	8,000	$	8,000
Allowable capital loss	No expiry	$	794,000	$	794,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. SUBSEQUENT EVENTS

a) Subsequent to December 31, 2018, the Company issued 11,562,908 units for proceeds totalling $1,271,920 in conjunction with the closing of a non-brokered private placement. Each unit consists of one common share and one share purchase warrant. Each warrant enables the holder to acquire one common share with an exercise price of $0.20 per share, expiring April 7, 2022. Finders' fees included a cash component of $57,077 and the issuance of 518,880 finders' warrants. The finders' warrants are exercisable on the same terms as unit warrants.

b) Subsequent to December 31, 2018, the Company acquired a 100% interest in the Willoughby property, located in northwestern British Columbia, from Sojourn Exploration Inc. ("Sojourn"), a Canadian public company, for a cash payment of $85,000 (paid) and the issuance of 3,000,000 common shares. Sojourn will retain a 1.5% net smelter return, which can be reduced by 0.50% for an additional $1,000,000 cash payment.

c) Subsequent to December 31, 2018, the Company granted stock options enabling the holder to acquire up to 1,500,000 common shares of the Company at a price of $0.14 per share, expiring April 9, 2024.