NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

Consolidated Financial Statements

For the Years Ended December 31, 2017 and 2016

Index

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Nickel One Resources Inc.

We have audited the accompanying consolidated financial statements of Nickel One Resources Inc., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of operations and comprehensive loss, cash flows and changes in shareholders' deficit for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Nickel One Resources Inc. as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Nickel One Resources Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

April 26, 2018

NICKEL ONE RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Financial Position as at December 31,
(Expressed in Canadian Dollars)

	Note		2017		2016
Assets					
Current assets:					
Cash		$	37,048	$	746
Sales tax receivable			3,235		8,069
Loans receivable	5		96,611		15,048
Prepaid expense and deposits			9,635		76,194
Investments	6		-		87,727
		$	146,529	$	187,784
Liabilities and Shareholders' Deficit					
Current liabilities:					
Accounts payable and accrued liabilities		$	371,893	$	226,398
Current loans payable	8		27,000		10,000
Loans payable to related parties	13		3,500		2,000
Flow-through premium liability			-		5,408
			402,393		243,806
Shareholders' deficit:					
Capital stock	9		5,087,594		4,783,288
Share subscription received	9		35,000		-
Reserves	9		644,685		558,188
Deficit			(6,022,743)		(5,397,498)
			(255,864)		(56,022)
		$	146,529	$	187,784

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

On behalf of the Board:

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

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

NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)
Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31,
(Expressed in Canadian Dollars)

	Note	2017	2016
Expenses			
Consulting		$ 177,672	$ 257,000
Professional fees		97,423	46,149
Transfer agent and filing fees		20,531	23,831
Investor relations		113,273	175,632
Exploration and evaluation	7	136,192	508,253
General and administrative		25,617	20,284
Rent		12,000	10,250
Share-based compensation	9	14,820	252,793
Travel and promotion		21,314	24,315
Results from operations		(618,842)	(1,318,507)
Other items			
Interest income	5	1,605	1,424
Non-cash listing expense on completion of Transaction	4	-	(1,695,063)
Amortization of flow-through premium liability		5,408	72,092
Gain on debt settlement		20,481	3,643
Loss on investments		(33,897)	(2,273)
		(6,403)	(1,620,177)
Net and comprehensive loss for the year		(625,245)	(2,938,684)
Loss per share – basic and diluted		$ (0.02)	$ (0.12)
Weighted average number of common shares outstanding – basic and diluted		36,566,478	24,261,472

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

NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)
Consolidated Statements of Cash Flows for the years ended December 31,
(Expressed in Canadian Dollars)

	Note	2017	2016
OPERATING ACTIVITIES			
Net loss for the year		$ (625,245)	$ (2,938,684)
Items not involving cash			
Share-based compensation	9	14,820	252,793
Interest income	5	(1,563)	(1,422)
Amortization of flow-through premium liability		(5,408)	(72,092)
Gain on debt settlement	9	(20,481)	(3,643)
Loss on investments		33,897	2,273
Non-cash listing expense on completion of Transaction	4	-	1,695,063
Change in non-cash working capital items:			
Sales tax receivable		4,834	8,021
Prepaid expense and deposits		66,559	(16,296)
Accounts payable and accrued liabilities		200,111	(11,297)
		(332,476)	(1,085,284)
INVESTING ACTIVITIES			
Loans receivable	5	(80,000)	-
Investments	6	53,830	(50,000)
		(26,170)	(50,000)
FINANCING ACTIVITIES			
Proceeds from private placement	9	346,832	1,239,890
Private placement shares issuance costs	9	(5,384)	(60,824)
Proceeds from options exercised	9	-	44,000
Subscriptions received in advance	9	35,000	-
Short-term loans		17,000	-
Loan repayment	8	-	(22,000)
Transaction costs included in equity	4	-	(66,592)
Cash acquired in the Transaction	4	-	515
Loan from related party	13	1,500	-
		394,948	1,134,989
Increase in cash		36,302	(295)
Cash, beginning of the year		746	1,041
Cash, end of the year		$ 37,048	$ 746
Non-cash item:			
Shares for debt	9	$ 34,135	$ 197,212
Fair value of finders warrants	9	$ 977	$ 36,958
Residual value of units	9	$ 70,300	$ -
Transfer of reserves on exercise of options	9	$ -	$ 21,733

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

NICKEL ONE RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Changes in Shareholders' Deficit
(Expressed in Canadian Dollars)

		Capital Stock					
	Note	Shares	Amount	Subscriptions Received	Reserves	Deficit	Total shareholders' deficit
Balance at December 31, 2015		3,050,000	$ 2,120,948	$ -	$ 290,168	$ (2,458,814)	$ (47,698)
Redline share consideration to Tyko	4	13,036,966	1,303,696	615,000	-	-	1,918,696
Transaction finder's fee shares	4	976,848	97,685	-	-	-	97,685
Transaction share issuance costs	4	-	(66,592)	-	-	-	(66,592)
Private placements	9	12,465,297	1,239,890	(615,000)	-	-	624,890
Private placement issuance costs	9	-	(97,784)	-	36,960	-	(60,824)
Flow-through share premium, net issuance costs		-	(77,500)	-	-	-	(77,500)
Shares for debt	9	1,972,115	197,212	-	-	-	197,212
Share-based compensation	9	-	-	-	252,793	-	252,793
Options exercised	9	440,000	65,733	-	(21,733)	-	44,000
Loss for the year		-	-	-	-	(2,938,684)	(2,938,684)
Balance at December 31, 2016		31,941,226	$ 4,783,288	$ -	$ 558,188	$ (5,397,498)	$ (56,022)
Share-based compensation	9	-	-	-	14,820	-	14,820
Shares for debt	9	682,697	34,135	-	-	-	34,135
Private placements	9	6,936,630	346,832	-	-	-	346,832
Private placement issuance costs	9	-	(6,361)	-	977	-	(5,384)
Residual value of warrants	9	-	(70,300)	-	70,300	-	-
Share subscription received	9	-	-	35,000	-		35,000
Loss for the year		-	-	-	-	(625,245)	(625,245)
Balance at December 31, 2017		39,560,553	$ 5,087,594	$ 35,000	$ 644,285	$ (6,022,743)	$ (255,864)

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

1. Nature and continuance of operations

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

On February 23, 2016, Redline Resources Inc. (“Redline”) completed its share exchange transaction (the “Transaction”) between Tyko Resources Inc. (“Tyko”) and Redline, pursuant to which Redline acquired all of the issued and outstanding common shares of Tyko (being 13,036,966 common shares, the “Tyko Shares”) in exchange for the issuance of common shares of Redline on the basis of one common share of Redline for each of Tyko’s common shares outstanding. Upon completion of the Transaction, Redline changed its name to Nickel One Resources Inc. and Tyko became a wholly-owned subsidiary of the Company.

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

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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The consolidated financial statements were approved by the Board of Directors on April 26 2018.

2. Basis of presentation

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

3. Summary of significant accounting policies

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Tyko Resources Inc. All inter-company transactions and balances have been eliminated upon consolidation.

3. Significant accounting policies (continued)

Mineral exploration and evaluation expenditures

Pre-exploration costs are expensed in the year they are incurred. All direct and indirect costs pertaining to exploration and evaluation of mineral properties are expensed in the period in which they are incurred. These direct exploration and evaluation expenditures include such costs as acquisition costs, materials used, surveying costs, drilling costs and payments made to contractors. Costs not directly attributable to exploration & evaluation activities are expensed in the period in which they occur under another classification.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are recorded in income.

Financial instruments

Financial assets and liabilities are initially recognized at fair value on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss (“FVTPL”), (2) financial assets available-for-sale, (3) financial assets held-to-maturity, (4) loans and receivables, and (5) other financial liabilities. Measurement in subsequent periods depends on the financial instrument’s classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in profit or loss. Financial assets “available-for-sale” are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Financial assets “held-to-maturity”, “loans and receivables”, and “other financial liabilities” are subsequently measured at amortized cost using the effective interest rate method.

Financial instrument fair values are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and
Level 3 Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company’s cash and investments are classified as FVTPL. Subsequent measurement is at fair value using level 1 observable inputs. Changes in fair value are recognized in profit or loss.

Sales tax receivable and loans receivable are classified as loans and receivables and are thus recorded at amortized cost using the effective interest rate method. Amounts are recorded net of anticipated collection costs, if any. Due to their predominantly short-term nature, the Company estimates that their fair values approximate their carrying values.

Accounts payable and accrued liabilities, current loans payable, and loans payable to related parties are classified as other financial liabilities, initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of these amounts, the Company estimates that their fair value approximates their carrying value.

3. Significant accounting policies (continued)

Income taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred taxes are recognized in net income except to the extent that they relate to a business combination or items recognized directly in equity or profit or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is possible that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Provision

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the rehabilitation 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 rehabilitation asset is depreciated on the same basis as the related asset.

The Company's estimates of reclamation 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 the related asset with a corresponding entry to the rehabilitation 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 and loss for the year.

For the years presented the Company has no provisions for environmental rehabilitation.

3. Significant accounting policies (continued)

Capital stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

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 the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource 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 expenditures being incurred, the Company derecognizes the liability and recognizes a future tax liability for the tax reduction renounced to the shareholders. The pro-rata amount of the premium is recognized as finance income and the related deferred tax is recognized as a deferred tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Share-based payments

The Company applies the fair value method of accounting for all stock option awards. Under this method, compensation expense attributed to the award of options to employees is measured at the fair value of the award on the date of grant and is recognized over the vesting period of the award. Share-based payments to non-employees are valued based on the fair value of the service received, if reliably determinable, otherwise based on the fair value of the award granted. Valuation is calculated based on the date at which the Company receives the service. If and when the stock options are ultimately exercised, the applicable amounts of other equity reserves are transferred to capital stock.

The fair value of instruments granted is measured using the Black-Scholes Option Pricing Model, taking into account the terms and conditions under which the instruments are granted. The fair value of the awards is adjusted by an estimate of the number of awards that are expected to vest as a result of non-market conditions. At each statement of financial position date, the Company revises its estimates of the number of options that are expected to vest based on the non-market conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity.

Warrants issued with a common share, as part of a unit offering, are valued using the residual value method. A value representing the premium to the market-price that is obtained (if any) during the issuance is attributed to the warrant.

3. Significant accounting policies (continued)

Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss/income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Critical estimates

Share-based Payment Transactions

The Company measures the cost of options granted for goods and services with reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Significant areas of judgment

Information regarding significant areas of critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 1 – Going concern assessment

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9 – New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

4. Non-cash listing expense on completion of transaction

As consideration for 100% of the outstanding common shares of Tyko, Redline issued 13,036,966 common shares in the capital of Redline to Tyko's shareholders. At the time of closing, Redline paid transaction costs of $66,592 in addition to the $1,740 deferred acquisition costs, and a finder's fee of 976,848 common shares (the "Finder's Fee Shares") valued at $0.10 per share.

The acquisition has been accounted for as a reverse take-over and is not considered to be a business combination as defined in IFRS 3 *Business Combinations* since Redline was inactive prior to the acquisition and its activities were limited to the management of cash resources and the maintenance of its listing. Accordingly, the acquisition has been accounted for as a share-based payment transaction in accordance with IFRS 2 *Share-based Payment*.

As the share and share-based consideration allocated to the former shareholders of Tyko on closing of the acquisition is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the common shares, the value in excess of the net identifiable assets acquired on closing was expensed in the statement of comprehensive loss as non-cash listing expense as Tyko shareholders acquired Redline's public listing as a result of the transaction. Upon completion of the Transaction, Redline's equity accounts were eliminated. The fair value of the consideration was determined based on the fair value of the common shares which was determined in relation to the common shares issued in the private placement (see Note 9).

The fair value of all the consideration given and charged to non-cash listing expense was comprised of:

Share consideration to Tyko	$	1,303,696
Finder's fee shares		97,685
Deferred acquisition costs		1,740
	$	1,403,121
Identifiable net assets assumed:		
Cash	$	515
Prepaid, expense, deposits, and deferred costs		676,638
Receivables		21,654
Accounts payable and accrued liabilities		(234,825)
Loans payable		(140,924)
		323,058
Adjustment for subscription received		(615,000)
Net deficiency		(291,942)
Unidentified asset acquired		
Non-cash listing expense		1,695,063
Total identifiable assets acquired and non-cash listing expense	$	1,403,121

4. Non-cash listing expense on completion of transaction (continued)

Transaction costs of $66,592 comprised of $13,753 TSX filing fees and $52,839 legal and advisory fees were incurred and have been recorded in capital stock as share issuance costs.

5. Loan receivable

Upon completion of the Transaction, the Company acquired a $13,629 loan receivable from Redline Minerals Inc. (“RMI”) comprised of a principal balance of $4,175 and accrued interest of $9,454. The Chief Executive Officer of RMI was also the Chief Executive Officer of Redline prior to the completion of the Transaction and is a director of Nickel One. Interest is payable on the loan at the rate of 10% per annum and the principal plus interest is due at the earliest of twelve months following the first advance on May 4, 2012 under the loan agreement or the date RMI obtains financing sufficient to repay the loan amount outstanding. The loan is secured against RMI’s current and hereafter-acquired assets.

At December 31, 2017, the total outstanding amount of the loan plus accrued interest was $16,611 (2016 - $15,048).

During the year ended December 31, 2017, the Company loaned $80,000 to Nortec Mineral Oy (“Nortec”). A wholly owned subsidiary of Micron Waste Technologies (“Micron”). The loan was non-interest bearing and due on demand. Subsequent to December 31, 2017, the Company acquired a 100% interest in Nortec Mineral Oy through the Definitive Agreement described in Note 7.

6. Investments

The Company has an investment in common shares of Canadian International Minerals Inc. (“CIN”) and Micron Waste Technologies Inc. (“MWM”, formerly Finore Mining Inc). The fair value of the listed investment has been determined directly by reference to published price quotations in an active market. Realized and unrealized gains and losses are reflected in profit or loss.

In January 2017, the Company sold all CIN shares for net proceeds of $21,673.

In November 2017, the Company sold all MWM shares for net proceeds of $32,157.

(Expressed in Canadian Dollars)

7. Exploration and evaluation expenditures

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

	December 31, 2017	December 31, 2016
Manitouwadge:		
Assays and surveying	$ 820	$ 17,547
Claims	26,833	-
Drilling	-	398,037
Field costs	15,194	6,488
Geological consulting	7,000	10,505
Report	-	6,000
Mobilization / demobilization	19,095	-
Staking and line cutting	-	18,126
Travel and support	-	8,406
	68,942	465,109
LK Project:		
Claims	-	162
Report	62,286	-
Travel and support	4,964	42,982
	67,250	43,144
	$ 136,192	$ 508,253

Manitouwadge
The Company conducts exploration and evaluation expenditures on a property consisting of 71 mining claims in Northwestern Ontario that are held 100% by the Company.

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

On February 28, 2018, the Company completed the acquisition pursuant to the Definitive Agreement. The Company paid Micron 5,000,000 common shares of Nickel One and 2,500,000 common share purchase warrants exercisable at $0.12 for 24 months and will issue 250,000 finder's fee shares in connection with the acquisition. Nickel One abided by all the underlying agreements with respect to ownership of the LK Project.

8. Loans payable

	December 31, 2017	December 31, 2016
Loans payable and accrued interest	$ 27,000	$ 140,924
Shares for debt settlement	-	(108,924)
Repayment of loans payable	-	(22,000)
	$ 27,000	$ 10,000

The $27,000 balance in loans payable is non-interest bearing and unsecured.

9. Capital stock

Tyko was authorized to issue an unlimited number of common shares with no par value. Pursuant to the closing of the Transaction on February 23, 2016, Redline acquired all the issued and outstanding shares of Tyko as described in Notes 1 and 4 in exchange for the 13,036,966 common shares of Redline, which subsequently changed its name to Nickel One Resources Inc. A finder's fee of 976,848 common shares was issued in connection with the Transaction.

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

Transactions for the year ended December 31, 2017 were as follows:

Private placement

On April 12, 2017, the Company completed the first tranche of a non-brokered private placement and issued 2,250,000 units at a price of $0.05 per unit for gross proceeds of $112,500. On June 21, 2017, the Company closed the second tranche of the private placement and issued 4,686,630 units at a price of $0.05 per unit for gross proceeds of $234,332. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.08 per share. In connection with the financings, $1,400 in cash and 32,000 warrants valued at $977 were paid as finders' fees and $3,984 were incurred as share issuance costs.

Shares for debt

On April 5, 2017, the Company issued 682,697 common valued at $34,135 to settle $54,616 in accounts payable, resulting in a gain on debt settlement of $20,481.

Transactions for the year ended December 31, 2016 were as follows:

Private placement

Concurrent with the closing of the Transaction on February 23, 2016, the Company closed a financing of $880,000 comprising of:

- 4,166,667 flow-through units ("FT unit") at $0.12 per FT unit for gross proceeds of $500,000. Each FT unit consists of one flow-through common share and one-half of one non-flow through share purchase warrant ("Warrant"); and
- 3,800,000 non-flow-through units ("NFT unit") at $0.10 per NFT unit for gross proceeds of $380,000. Each NFT unit consists of one NFT common share and one-half of one warrant.

Each whole warrant entitles the holder to purchase one additional common share at a price of $0.15 for 24 months.

A flow through premium liability of $77,500 was recorded in connection with the issuance of the FT units.

In aggregate, the financing was subject to the following finders' fees: $57,576 of cash commission and other fees and 541,333 finder's warrants with an exercise price of $0.15 exercisable for a period of two years. The Company has recorded the fair value of these finder warrants in the amount of $35,893 as share issuance costs.

On October 12, 2016, the Company completed the first tranche of a non-brokered private placement and issued 787,500 units at a price of $0.08 per unit for gross proceeds of $63,000. On December 5, 2016, the Company closed the second tranche of the private placement and issued 3,711,130 units at a price of $0.08 per unit for gross proceeds of $296,890. A total of 28,000 warrants, valued at $1,065, were issued and $3,250 of cash were paid as finder's fees for the private placement. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.12 per share.

(Expressed in Canadian Dollars)

9. Capital stock (continued)

Shares for debt

Concurrent with the closing of the Transaction on February 23, 2016, the Company issued 1,972,115 common shares at a price of $0.10 per share to settle $197,212 past debt owed to former directors and officers of Redline (Note 13(b)), comprising of $108,924 in loans payable (Note 8), $80,610 in accounts payable, and $7,678 in loans payable to related parties.

Warrants

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

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

	Number of warrants	Weighted average exercise price
Outstanding warrants, December 31, 2015	-	-
Granted	6,851,982	$0.14
Cancelled	(50,000)	$0.15
Outstanding warrants, December 31, 2016	6,801,982	$0.14
Granted	3,500,315	$0.08
Outstanding warrants, December 31, 2017	10,302,297	$0.12

As at December 31, 2017, warrants enabling the holders to acquire common shares are as follows:

Expiry date (mm/dd/yyyy)	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
02/23/2018	4,524,667*	0.15	$0.15
10/12/2018	413,750	0.78	$0.12
12/05/2018	1,863,565	0.93	$0.12
04/12/2019	1,157,000	1.28	$0.08
06/21/2019	2,343,315	1.47	$0.08
	10,302,297	0.74	$0.12

*warrants subsequently expired unexercised.

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

	2017	2016
Forfeiture rate	0.00%	0.00%
Estimated risk-free rate	0.73%	0.47-0.74%
Expected volatility	125%	123%-157%
Estimated annual dividend yield	0.00%	0.00%
Expected life of options	2 years	2 years

(Expressed in Canadian Dollars)

9. Capital stock (continued)

Warrants (continued)

During the year ended December 31, 2017, a value of $70,300 was attributed to the warrants attached to units issued using a residual value approach.

Stock options

The Company has established a rolling stock option plan ("Option Plan") enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 5% of the issued and outstanding listed shares (on a non-diluted basis) as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. All stock options issued are subject to vesting terms. Options issued to directors, vest in the amount of 25% every three months from the date of grant; and options issued to officers and/or consultants vest in 12 months depending on date of grant and nature of service. The exercise price of each option equals the market price, minimum price, or discounted market price of the Company's shares as calculated on the date of grant.

Share-based payments relating to options vested during the year ended December 31, 2017 using the Black-Scholes option pricing model was $14,820 (2016 - $252,793), which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statement of operations and comprehensive loss. The associated share-based compensation expense for the options granted during the period was calculated based on the following assumptions:

	2017	2016
Forfeiture rate	0.00%	0.00%
Estimated risk-free rate	0.00%	0.51%-0.71%
Expected volatility	0.00%	100%-140%
Estimated annual dividend yield	0.00%	0.00%
Expected life of options	N/A	1-5 years

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

	Number of options	**Weighted average exercise price**
Outstanding options, December 31, 2015	-	-
Granted	2,515,000	$0.14
Exercised	(440,000)	($0.10)
Outstanding options, December 31, 2016	2,075,000	$0.15
Cancelled	(500,000)	($0.15)
Outstanding options, December 31, 2017	1,575,000	$0.15

440,000 stock options were exercised during the year ended December 31, 2016. Accordingly, the related share-based compensation expense of $21,733 was reallocated to capital stock.

As at December 31, 2017, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	**Number of options outstanding**	**Weighted average remaining life in years**	**Exercise price**	**Number of options exercisable**
03/29/2021	1,575,000	3.24	$0.15	1,575,000
	1,575,000	3.24	$0.15	1,575,000

(Expressed in Canadian Dollars)

10. Income Taxes

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

		2017		2016
Loss for the year	$	(625,245)	$	(2,938,684)
Expected income tax (recovery)	$	(163,000)	$	(764,000)
Change in statutory, foreign tax, foreign exchange rates and other		406,000		4,000
Permanent difference		8,000		48,000
Impact of flow through share		8,000		121,000
Share issue cost		(1,000)		(17,000)
Change in unrecognized deductible temporary differences		(258,000)		608,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2017		2016
Deferred tax assets (liabilities):				
Exploration and evaluation assets	$	39,000	$	22,000
Share issue costs		12,000		14,000
Marketable securities		-		8,000
Non-capital losses available for future period		644,000		909,000
		695,000		953,000
Unrecognized deferred tax assets		(695,000)		(953,000)
Deferred income tax asset	$	-	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2017	Expiry date range	2016	Expiry date range
Temporary differences				
Exploration and evaluation assets	144,000	No expiry date	86,000	No expiry date
Property and equipment	1,000	No expiry date	1,000	No expiry date
Share issue costs	44,000	2037 to 2041	53,000	2037 to 2040
Marketable securities	-	No expiry date	52,000	No expiry date
Non-capital losses available for future period	2,384,000	2032 to 2037	3,505,000	2032 to 2036

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

11. Nature and extent of risks arising from financial instruments

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

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

(Expressed in Canadian Dollars)

11. Nature and extent of risks arising from financial instruments (continued)

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and receivables. The Company's cash is held through a large Canadian financial institution. The Company's receivables consist of sales tax receivable due from the Government of Canada of $3,235 (2016 - $8,069), and loans receivable of $96,611 (2016 - $15,048).

Liquidity Risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 11 of these financial statements. As at December 31, 2017, the Company had a cash balance of $37,048 (2016 - $746) to settle current liabilities of $402,393 (2016 - $243,806). The Company will need to raise sufficient funds to meet its obligations.

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

12. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in the Company's approach to capital management during the year ended December 31, 2017. The Company is not subject to externally imposed capital requirements.

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

13. Related party transactions

a) Key management compensation

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

		Year ended December 31, 2017		Year ended December 31, 2016
Salaries and consulting fees	$	84,000	$	42,000
Directors fees		Nil		Nil
Share-based compensation		11,606		180,591
Other		Nil		Nil
Total remuneration	$	95,606	$	222,591

(Expressed in Canadian Dollars)

13. Related party transactions (continued)

a) Key management compensation (continued)

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

The balance payable to related parties as at December 31, 2017 was $134,481 (2016 - $61,461) and is included in accounts payable and accrued liabilities. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

Loans payable to related parties as at December 31, 2017 consists of a $3,500 (2016 - $2,000) loan from a former director and a director. The loan is non-interest bearing, unsecured and has no fixed terms of repayment.

b) Definitive acquisition

On December 31, 2010, the Company entered into a Definitive Acquisition Agreement with certain shareholders (the Vendor). Under the terms of the agreement, the Company has the option to acquire certain surface and mineral rights subject to the following conditions:

i. The Company issue common shares to the Vendor as follows:

Upon signing of the agreement December 30, 2010	3,000,000 common shares (issued)
On December 30, 2011	3,000,000 common shares (issued)
On December 30, 2012	3,000,000 common shares (issued)

ii. During the 109-day period ended December 31, 2010, the company issued 1,500,000 warrants to the Vendor to purchase one common share per warrant at the exercise price of $0.10 per share. During the year ended December 31, 2013, the 1,500,000 warrants expired unexercised.

iii. The Company incur exploration expenditures on the property within the following times:

Prior to December 30, 2011	$200,000
Prior to December 30, 2012	$600,000 additional
Prior to December 30, 2013	$1,000,000 additional

As additional consideration for the sale of the property the Vendor shall receive a 3% net smelter return royalty, one-half of which may be purchased by the Company at any time for $1,500,000.

Upon completion of the above conditions the title to the properties will be transferred to the Company. The Company may at any time let the option lapse by not meeting the above conditions. The Company may also accelerate any or all of the share consideration or exploration expenditures.

During the option period, the Company will have the sole and exclusive right to enter on and conduct mining on the properties provided the option is in good standing.

During 2011, 2012, and 2013, the Company did not meet the exploration expenditure requirement of $200,000, $600,000, and $1,000,000 respectively; the Vendors waived the condition.

13. Related party transactions (continued)

b) Definitive acquisition (continued)

On January 21, 2015, the Company and Vendors agreed to the following acknowledgments pursuant to the Definitive Acquisition Agreement:

- The Company has not incurred the required exploration expenditures by December 31, 2013.
- The Vendors do not release the Company of its obligation to incur such exploration expenditures but do hereby waive the requirement for the Company to incur such exploration expenditures within the time frame set out.
- The Company shall be required to proceed diligently and to exercise its best efforts with respect to incurring the exploration expenditures required.

As at December 31, 2017, the Company has spent $1,210,140 since the acquisition of the property by Tyko in 2010.

c) Other transactions

During the year ended December 31, 2016, the Company incurred $10,000 in Transaction fees to the President.

On April 1, 2016, the Company entered into an office lease agreement with a company controlled by the Chief Financial Officer for a 12-month term at $1,000 per month.

14. Segmented Information

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

15. Subsequent events

On January 2, 2018, 100,000 warrants were exercised at a price of $0.08 per share for gross proceeds of $8,000. Accordingly, the related warrants reversers of $7,500 was reallocated to capital stock.

On February 28, 2018, the Company issued 5,000,000 common shares and 2,500,000 common share purchase warrants at a price of $0.12 for the acquisition of 100% interest in LK Project in Finland.

On March 19, 2018, the Company announced a non-brokered private placement of up to 10,000,000 units at a price of $0.05 per unit to raise aggregate proceeds of up to $500,000. Each unit consists of one common share and one half common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.10 per share. The Company has closed the first tranche of the private placement and issued 6,720,000 units at a price of $0.05 per unit for gross proceeds of $336,000.