NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

Consolidated Financial Statements

For the Years Ended December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Nickel One Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Nickel One Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017 and the consolidated statements of operations and comprehensive loss, cash flows and changes in shareholders' deficit 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 the Company 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 consolidated 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 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 Erez Bahar.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

April 26, 2019

NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)

Consolidated Statements of Financial Position as at December 31,

(Expressed in Canadian Dollars)

	Note		2018		2017
Assets					
Current assets:					
Cash		$	1,022	$	37,048
Sales tax receivable			2,307		3,235
Loans receivable	5		18,335		96,611
Prepaid expense and deposits			24,403		9,635
			46,067		146,529
Equipment			668		-
		$	46,735	$	146,529
Liabilities and Shareholders' Deficit					
Current liabilities:					
Accounts payable and accrued liabilities		$	505,093	$	371,893
Current loans payable	8		-		27,000
Loans payable to related parties	13		3,500		3,500
			508,593		402,393
Shareholders' deficit:					
Capital stock	9		5,722,739		5,087,594
Share subscription received	9		-		35,000
Reserves	9		707,054		644,285
Deficit			(6,891,651)		(6,022,743)
			(461,858)		(255,864)
		$	46,735	$	146,529

Nature and continuance of operations (Note 1)

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	2018	2017
Expenses			
Consulting		$ 232,000	$ 177,672
Professional fees		20,225	97,423
Transfer agent and filing fees		25,161	20,531
Investor relations		7,218	113,273
Exploration and evaluation	7	529,475	136,192
Foreign exchange loss (gain)		(2,218)	-
Depreciation		224	-
General and administrative		18,824	25,617
Rent		30,155	12,000
Share-based compensation	9	-	14,820
Travel and promotion		19,581	21,314
		(880,645)	(618,842)
Interest income	5	1,737	1,605
Amortization of flow-through premium liability		-	5,408
Gain on debt settlement	8	10,000	20,481
Loss on investments		-	(33,897)
		11,737	(6,403)
Loss and comprehensive loss for the year		(868,908)	(625,245)
Loss per share – basic and diluted		$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted		49,399,348	36,566,478

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		2018		2017
OPERATING ACTIVITIES					
Loss for the year		$	(868,908)	$	(625,245)
Items not involving cash					
Share-based compensation	9		-		14,820
Depreciation			224		-
Exploration and evaluation assets	4		526,516		-
Amortization of flow-through premium liability			-		(5,408)
Interest income	5		(1,724)		(1,563)
Gain on debt settlement	8		(10,000)		(20,481)
Loss on investments			-		33,897
Change in non-cash working capital items:					
Sales tax receivable			7,377		4,834
Prepaid expense and deposits			(330)		66,559
Accounts payable and accrued liabilities			11,992		200,111
			(334,853)		(332,476)
INVESTING ACTIVITIES					
Cash received on acquisition	4		4,932		-
Loans receivable			-		(80,000)
Investments	6		-		53,830
			4,932		(26,170)
FINANCING ACTIVITIES					
Proceeds from private placement	9		306,000		346,832
Private placement shares issuance costs	9		(3,105)		(5,384)
Proceeds from warrants exercised	9		8,000		-
Subscriptions received in advance	9		-		35,000
Short-term loans			-		17,000
Loan repayment			(17,000)		-
Loan from related party	13		-		1,500
			293,895		394,948
Increase (decrease) in cash			(36,026)		36,302
Cash, beginning of the year			37,048		746
Cash, end of the year		$	1,022	$	37,048
Non-cash items:					
Residual value of units	9	$	-	$	70,300
Share for debt	9		-		34,135
Fair value of finders warrants	9		-		977
Transfer of reserves of warrants	9	$	3,000	$	-

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, 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		-		-		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)
Private placements	9	6,820,000		341,000		(35,000)		-		-		306,000
Private placement issuance costs	9	-		(3,105)		-		-		-		(3,105)
Acquisition of Nortec Minerals Oy	4,9	5,000,000		275,000		-		65,769		-		340,769
Shares issued for finder's fee	4,9	250,000		11,250		-		-		-		11,250
Warrants exercised	9	100,000		11,000		-		(3,000)		-		8,000
Loss for the year		-		-		-		-		(868,908)		(868,908)
Balance at December 31, 2018		51,730,553	$	5,722,739	$	-	$	707,054	$	(6,891,651)	$	(461,858)

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 company listed on the TSX Venture Exchange (“TSX-V”) under the symbol “NNN”. 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 cast 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, 2019.

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. 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 subsidiaries. Tyko Resources Inc and Nortec Mineral Oy ("Nortec"). All inter-company transactions and balances have been eliminated upon consolidation.

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 profit or loss.

Financial instruments

The Company has adopted IFRS 9, Financial Instruments. The effect of initially applying these standards did not have a material impact on the Company's financial statements.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial instruments. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit and loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI").

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

3. Significant accounting policies (continued)

Financial instruments (continued)

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

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.

3. Significant accounting policies (continued)

Provision (continued)

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 or loss for the year.

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

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, share options 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.

3. Significant accounting policies (continued)

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.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the functional currency for an entity are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate 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 the profit or loss.

Impairment of long-lived assets

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

3. Significant accounting policies (continued)

Impairment of long-lived assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Loss per share

Basic loss per common share is calculated by dividing net loss available to common shareholders by the weighted-average number of shares outstanding during the year. The effect of dilutive stock options, warrants and similar instruments on loss per share is recognized on the use of the proceeds that could be obtained upon of these and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

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.

3. Significant accounting policies (continued)

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

New and revised standards and interpretations

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

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

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

Financial asset or liability	IAS 39 Classification	IFRS 9 Classification
Cash and cash equivalents	Amortized cost	FVTPL
Loans receivables	Amortized cost	Amortized cost
Loans payable to related parties	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

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

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

New and revised standards and interpretations (continued)

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

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

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

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:

- 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. Management estimates the adoption of the above standard, amendments and interpretations will not have a material impact on the results and financial position of the Company.

- IFRIC 23 - *Uncertainty over Income Tax Treatments*: New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 “Income Taxes” when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. Management does not anticipate this standard to have a material impact on the financial statements.

4. Acquisition of Nortec Mineral Oy

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

On February 28, 2018, the Company completed the acquisition pursuant to the Definitive Agreement. The Company paid Micron 5,000,000 common shares of Nickel One with a fair value of $275,000 and 2,500,000 common share purchase warrants, exercisable at $0.12 for 24 months. The share purchase warrants have a fair value of $65,769 which has determined using a Black Scholes valuation model with the following assumptions:

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

(Expressed in Canadian Dollars)

4. Acquisition of Nortec Mineral Oy (continued)

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

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

Purchase price (5,000,000 common shares)	$	275,000
Fair value of warrants (2,500,000 common share purchase warrants)		65,769
Transaction costs (250,000 common shares)		11,250
Total cost of acquisition	**$**	**352,019**
Cash and cash equivalents	$	4,932
Prepaid expensed and deposits		14,438
Sales tax receivable		6,449
Equipment		892
Accounts payable and accrued liabilities		(201,208)
Mineral property		526,516
Net identifiable assets acquired	**$**	**352,019**

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

5. Loan receivable

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, 2018, the total outstanding amount of the loan plus accrued interest was $18,335 (2017, $16,611).

6. Investments

The Company had 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, 2018	December 31, 2017
Manitouwadge:		
Assays and surveying	$ -	$ 820
Claims	1,122	26,833
Field costs	-	15,194
Geological consulting	-	7,000
Mobilization/ demobilization	-	19,095
	1,122	68,942
LK Project:		
Acquisition costs	526,516	-
Report	1,837	62,286
Travel and support	-	4,964
	528,353	67,250
	$ 529,475	$ 136,192

Manitouwadge

The Company conducts exploration and evaluation expenditures on a property located in Northwestern Ontario and held 100% by the Company. As at December 31, 2018, a number of claims were forfeited, and the Company had no further obligation with respect to those claims.

LK Project

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

8. Loans payable

	December 31, 2018	December 31, 2017
Loans payable and accrued interest	$ -	$ 27,000
	$ -	$ 27,000

During the year ended December 31, 2018, the Company paid off $17,000 of the loans payable in cash. In addition, the Company negotiated a settlement for the $10,000 outstanding balance from prior periods and recognized a gain on forgiveness of debt.

9. Capital stock

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, 2018 were as follows:

Escrow shares

As at December 31, 2018, there are 1,517,269 (2017 - 1,592,270) common shares are held in escrow. The balance is scheduled to be released in equal 15% tranches every six months.

Private placement

During the year ended December 31, 2018, the Company completed a non-brokered private placement of 6,820,000 units at a price of $0.05 per unit for gross proceeds $341,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.10 per share. A total of $35,000 was received during the year ended December 31, 2017 and was included in subscription received in advance. The company incurred a total of $3,105 in share issuance costs related to the private placement.

Shares for mineral property

On March 12, 2018, the Company issued 5,000,000 common shares with a fair value of $275,000 and 2,500,000 common share purchase warrants at a price of $0.12 for the acquisition of Nortec. In connection with the acquisition, the Company issued 250,000 common shares with a fair value of $11,250 as a finder's fee.

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.

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.

(Expressed in Canadian Dollars)

9. Capital stock (continued)

Warrants

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

	Number of warrants	Weighted average exercise price
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
Granted	5,910,000	$0.11
Exercised	(100,000)	$0.08
Expired	(6,801,982)	$0.14
Outstanding warrants, December 31, 2018	9,310,315	$0.09

As at December 31, 2018, warrants enabling the holders to acquire common shares are as follows:

Expiry date (mm/dd/yyyy)	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
04/12/2019	*1,157,000	0.28	$0.08
06/21/2019	2,243,315	0.47	$0.08
02/28/2020	2,500,000	1.16	$0.12
03/19/2020	3,360,000	1.22	$0.10
04/27/2020	50,000	1.32	$0.10
	9,310,315	0.91	$0.10

*Subsequent to the year ended December 31, 2018, 1,157,000 warrants 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:

	2018	2017
Forfeiture rate	N/A	0.00%
Estimated risk-free rate	N/A	0.73%
Expected volatility	N/A	125%
Estimated annual dividend yield	N/A	0.00%
Expected life of options	N/A	2 years

On January 2, 2018, 100,000 warrants were exercised at a price of $0.08 per share for gross proceeds of $8,000. Accordingly, the related warrants reserves of $3,000 was reallocated to capital stock.

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.

(Expressed in Canadian Dollars)

9. Capital stock (continued)

Stock options (continued)

Share-based payments relating to options vested during the year ended December 31, 2018 was $nil (2017 - $14,820) by using the Black-Scholes option pricing model, 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 number and weighted average exercise prices of the stock options are as follows:

	Number of options	**Weighted average exercise price**
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
Expired	(200,000)	($0.15)
Outstanding options, December 31, 2018	1,375,000	$0.15

As at December 31, 2018, 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	1,375,000	2.24	$0.15	1,375,000
	1,375,000	2.24	$0.15	1,375,000

10. Income Taxes

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

		2018		2017
Net loss for the year	$	(868,908)	$	(625,245)
Expected income tax (recovery)	$	(235,000)	$	(163,000)
Change in statutory, foreign tax, foreign exchange rates and other		17,000		406,000
Permanent difference		87,000		8,000
Impact of flow through share		-		8,000
Share issue cost		(1,000)		(1,000)
Adjustment to prior years provision versus tax returns and expiry of non-capital losses		15,000		-
Change in unrecognized deductible temporary differences		117,000		(258,000)
Total income tax expense (recovery)	$	-	$	-

(Expressed in Canadian Dollars)

10. Income Taxes (continued)

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:

		2018		2017
Deferred tax assets (liabilities):				
Exploration and evaluation assets	$	69,000	$	39,000
Share issue costs		9,000		12,000
Allowable capital losses		11,000		-
Non-capital losses available for future period		723,000		644,000
		812,000		695,000
Unrecognized deferred tax assets		(812,000)		(695,000)
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:

	2018	Expiry date range	2017	Expiry date range
Temporary differences				
Exploration and evaluation assets	256,000	No expiry date	144,000	No expiry date
Property and equipment	1,000	No expiry date	1,000	No expiry date
Share issue costs	32,000	2039 to 2042	44,000	2037 to 2041
Allowable capital losses	43,000	No expiry date	-	No expiry date
Non-capital losses available for future period	2,696,000	2032 to 2038	2,384,000	2032 to 2037

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, loans receivable, loans payable to related parties, and accounts payable and accrued liabilities. The fair values of financial assets and financial liabilities approximate their carrying amounts due to the short-term maturity of the instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and receivables. The Company's cash is held through a large Canadian financial institution. The Company's receivables consist of sales tax receivable due from the Government of Canada and Finland of $2,307 (2017 - $3,235), and loans receivable of $18,335 (2017 - $96,611).

(Expressed in Canadian Dollars)

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

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, 2018, the Company had a cash balance of $1,022 (2017 - $37,048) to settle current liabilities of $508,593 (2017 - $402,393). 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, 2018. 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, 2018	Year ended December 31, 2017
Salaries and consulting fees	$ 160,000	$ 84,000
Share-based compensation	Nil	11,606
Total remuneration	$ 160,000	$ 95,606

13. Related party transactions (continued)

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, 2018 was $196,074 (2017 - $134,481) 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, 2018 consists of a $1,500 (2017 - $1,500) loan from a director. The loan is non-interest bearing, unsecured and has no fixed terms of repayment.

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 long-term assets are located in Finland.