

# **ALDEVER RESOURCES INC.**

Interim Financial Statements

For the Nine Months Ended September 30, 2018 and 2017

(Unaudited – Expressed in Canadian Dollars)

## **Notice of No Auditor Review**

These unaudited interim financial statements of Aldever Resources Inc. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

**ALDEVER RESOURCES INC.**  
Interim Statements of Financial Position  
(Unaudited - Expressed in Canadian Dollars)

	September 30 2018	December 31 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 30,953	\$ 92,843
GST receivable	8,126	8,360
Prepaid expenses (note 6)	-	20,000
<b>Total Current Assets</b>	<b>39,079</b>	<b>121,203</b>
<b>Exploration and evaluation assets</b> (note 4)	<b>1,853,310</b>	<b>1,768,810</b>
<b>Total Assets</b>	<b>\$ 1,892,389</b>	<b>\$ 1,890,013</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 126,700	\$ 13,045
Accrued liabilities	9,456	24,476
Flow-through share liability (note 5)	14,716	29,751
<b>Total Current Liabilities</b>	<b>150,872</b>	<b>67,272</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 8)	20,452,102	20,452,102
Warrants (note 8)	83,689	83,689
Share-based payments reserve (note 8)	1,328,523	1,328,523
Deficit	(20,122,797)	(20,041,573)
<b>Total Equity</b>	<b>1,741,517</b>	<b>1,822,741</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,892,389</b>	<b>\$ 1,890,013</b>

Nature and continuance of operations (note 1)

*The accompanying notes are an integral part of these interim financial statements*

Approved on behalf of the Board

Director "Clive Massey"  
Clive Massey

Director "Richard Ko"  
Richard Ko

**ALDEVER RESOURCES INC.**Interim Statements of Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2018	2017	2018	2017
<b>EXPENSES</b>				
Consulting, management and directors' fees (note 6)	\$ 36,600	\$ 22,200	\$ 83,000	\$ 65,500
Claim registrations	-	-	-	1,474
General and administrative	308	318	1,217	2,609
Finance expense	-	-	-	2,322
Investor relations	-	8,000	-	79,000
Professional fees	1,880	1,093	2,964	11,785
Regulatory and transfer agent fees	2,749	2,371	16,478	25,119
<b>Loss from operations</b>	<b>(41,537)</b>	<b>(33,982)</b>	<b>(103,659)</b>	<b>(187,809)</b>
<b>Other items</b>				
Reversal of flow-through share liability	15,035	-	15,035	187,842
Write-off of exploration and evaluation assets (note 4)	(7,600)	(1,633,711)	(7,600)	(1,633,711)
Loss on fair value of investment (note 10)	-	(100,000)	-	(100,000)
Gain on sale of property option (note 4)	15,000	-	15,000	-
Interest income	-	-	-	420
	22,435	(1,733,711)	22,435	(1,545,449)
<b>Net and comprehensive loss for the period</b>	<b>\$ (19,102)</b>	<b>\$ (1,767,693)</b>	<b>\$ (81,224)</b>	<b>\$ (1,733,258)</b>
<b>Basic and diluted income per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.13)</b>	<b>\$ (0.01)</b>	<b>\$ (0.10)</b>
<b>Weighted average number of common shares outstanding</b>	<b>15,389,669</b>	<b>13,556,340</b>	<b>15,389,669</b>	<b>17,588,908</b>

*The accompanying notes are an integral part of these interim financial statements*

**ALDEVER RESOURCES INC.**Interim Statements of Changes in Equity  
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share capital	Warrants	Share-Based Payments Reserve	Deficit	Total Equity
<b>Balance at January 1, 2017</b>	9,893,190	\$ 19,584,098	\$ 76,558	\$ 1,328,523	\$ (17,402,115)	\$ 3,587,064
Shares issued to acquire exploration and evaluation asset	1,166,667	182,500	-	-	-	182,500
Shares issued on private placement	3,382,233	630,031	5,691	-	-	635,722
Share issue costs	114,246	(89,931)	1,440	-	-	(88,491)
Net and comprehensive loss	-	-	-	-	(1,733,258)	(1,733,258)
<b>Balance at September 30, 2017</b>	14,556,336	\$ 20,306,698	\$ 83,689	\$ 1,328,523	\$ (19,135,373)	\$ 2,583,537
<b>Balance at January 1, 2018</b>	15,389,669	20,452,102	83,689	1,328,523	(20,041,573)	1,822,741
Net and comprehensive loss	-	-	-	-	(81,224)	(81,224)
<b>Balance at September 30, 2018</b>	15,389,669	\$ 20,452,102	\$ 83,689	\$ 1,328,523	\$ (20,122,797)	\$ 1,741,517

*The accompanying notes are an integral part of these interim financial statements*

**ALDEVER RESOURCES INC.**

## Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	<b>For the nine months ended September 30</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (81,224)	\$ (1,733,258)
Add Item not involving cash:		
Reversal of flow-through share liability	(15,035)	(187,842)
Write-off of exploration and evaluation assets	7,600	1,633,711
Loss on fair value of investment	-	100,000
Gain on sale of property option	(15,000)	
Working capital adjustments:		
GST receivable	234	22,468
Prepaid expenses	20,000	200
Accounts payable	113,655	12,332
Accrued liabilities	(15,020)	(12,500)
<b>Net cash flows used in operating activities</b>	<b>15,210</b>	<b>(164,889)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from property option granted	-	25,000
Proceeds sale of property option	15,000	-
Additions to exploration and evaluation assets	(92,100)	(489,348)
<b>Net cash flows used in investing activities</b>	<b>(77,100)</b>	<b>(464,348)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares - gross	-	673,402
Share issue costs	-	(62,340)
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>611,062</b>
<b>Change in cash during the period</b>	<b>(61,890)</b>	<b>(18,175)</b>
<b>Cash, beginning of the period</b>	<b>92,843</b>	<b>166,628</b>
<b>Cash, end of the period</b>	<b>\$ 30,953</b>	<b>\$ 148,453</b>

*The accompanying notes are an integral part of these interim financial statements*

## **ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

### **1) NATURE AND CONTINUANCE OF OPERATIONS**

Aldever Resources Inc. ("Aldever" or the "Company") was incorporated in the Province of British Columbia and is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests. The Company's common shares are listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "ALD", on the OTCQB Exchange under the symbol "ALDVF", and on the Frankfurt Exchange under the symbol "17G1". The Company's principal office and registered and records office is located at 2200-885 West Georgia Street, Vancouver, BC V6C 3E8.

These financial statements were authorized for issue on November 30, 2018 by the directors of the Company.

At the date of the interim financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

These interim financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has incurred operating losses since inception and at September 30, 2018, had a cumulative deficit of \$20,122,797. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Further discussion of liquidity risk is included in notes 7 and 9.

### **2) BASIS OF PRESENTATION**

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2017, which have been prepared in accordance with IFRS.

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

## **ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

### **3) SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Significant accounting judgments, estimates and assumptions**

The preparation of the Company's interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the interim financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

#### **b) Impairment**

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, 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. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

#### **c) Recent accounting pronouncements**

*New accounting standards issued but not yet effective*

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

**ALDEVER RESOURCES INC.**

## Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

**4) EXPLORATION AND EVALUATION ASSETS**

	Balance Dec 31, 2017	2018 Additions	2018 Dispositions	2018 Impairment	Balance Sep 30, 2018
	\$	\$	\$	\$	\$
Urban Barry Gold - Quebec, Canada	1,663,809	84,500	-	-	1,748,309
Scotia Zinc-Silver Project - British Columbia, Canada	1	-	-	-	1
Harris Creek - British Columbia, Canada	-	7,600	-	(7,600)	-
Nadina Mountain - British Columbia, Canada	105,000	-	-	-	105,000
	1,768,810	92,100	-	(7,600)	1,853,310

  

	Balance Dec 31, 2016	2017 Additions	2017 Dispositions	2017 Impairment	Balance Dec 31, 2017
	\$	\$	\$	\$	\$
Scotia Zinc-Silver Project - British Columbia, Canada	215,000	-	(214,999)	-	1
Lac Villebon Gold - Quebec, Canada	1,570,000	1,211	-	(1,571,211)	-
Urban Barry Gold - Quebec, Canada	1,023,809	640,000	-	-	1,663,809
Lac Chanceux Gold - Quebec, Canada	107,000	-	-	(107,000)	-
ES Property -Quebec, Canada	62,500	-	-	(62,500)	-
Miller's Playa - Nevada, USA	396,000	13,338	-	(409,338)	-
Lac D'Or - Quebec, Canada	102,000	-	-	(102,000)	-
Harris Creek - British Columbia, Canada	-	157,300	-	(157,300)	-
Nadina Mountain - British Columbia, Canada	-	105,000	-	-	105,000
	3,476,309	916,849	(214,999)	(2,409,349)	1,768,810

**Scotia Zinc-Silver Project - British Columbia, Canada**

On November 11, 2014, the Company entered into an option agreement to earn up to a 100% interest in the Scotia Zinc-Silver prospect in northern British Columbia. To exercise the option the Company must make staged payments of \$375,000 over 3 years and incur \$750,000 in exploration expense over the same period.

On May 13, 2015, the Company amended the original agreement. Under the amended terms of the agreement, the Company can earn a 100% interest by paying \$75,000 (paid on January 19, 2015) and issuing 55,555 common shares to the vendor (issued May 20, 2015). The Company's interest is subject to an underlying 2% NSR, payable to the Vendor of which 1% can be purchased by the Company for \$1,000,000.

On January 9, 2017, the Company entered into an option agreement for the sale of its 100% interest in the Scotia Zinc-Silver Project, which was approved by the Exchange on January 23, 2017. Consideration consists of: \$25,000 cash within five days after the Exchange Acceptance Date (received), \$25,000 on or before January 9, 2018, 200,000 shares within five days after January 23, 2017 (received 300,000 shares with a fair value of \$190,000) (Note 10), 300,000 shares on or before January 9, 2018 and 400,000 shares on or before January 9, 2019 and completion of exploration work in the amount of \$500,000 on or before January 9, 2019. On January 9, 2018, the purchaser terminated the property option agreement and accordingly the Company recorded impairment of \$215,000 at December 31, 2017.

On September 7, 2018, the Company entered into an option agreement for the sale of its 100% interest in the Scotia Zinc-Silver Project. Consideration consists of a one time cash payment of \$15,000 (received).

## **ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

### **4) EXPLORATION AND EVALUATION ASSETS** *(continued)*

#### **Lac Villebon Gold Project - Quebec, Canada**

On October 21, 2015, the Company entered into an option agreement to acquire a 100% interest in the Lac Villebon Gold Project in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 222,222 common shares to the vendor (issued October 27, 2015) and incurring \$2,000,000 in exploration expenditures within the next five years. The Company's interest is subject to a 1% NSR payable to the vendor, of which ½ % may be purchased for \$1,000,000.

During the year ended December 31, 2017, the Company recorded an impairment of \$1,571,211 as the option agreement was terminated.

#### **Urban Barry Gold Project - Quebec, Canada**

On November 10, 2015, the Company entered into an option agreement to acquire a 100% interest in the Urban Barry Gold Project in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 388,888 common shares to the vendor (issued November 18, 2015), making a cash payment of \$250,000 on or before 18 months of TSX-V approval of this agreement, and incurring \$1,000,000 in exploration expenditures within the next five years (\$425,000 paid to March, 2017). The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

On July 5, 2017, the Company amended its option agreement for the Urban Barry Gold Project. Under the amended terms the Company can earn a 100% interest by issuing 388,888 common shares (issued November 18, 2015), issuing 1,000,000 common shares on or before July 10, 2017, if within 5 days of TSX Venture Exchange approval of this agreement (issued July 31, 2017) (Note 9), making a cash payment of \$50,000 on or before 24 months of the signing of this agreement, a further cash payment of \$100,000 on or before 30 months of the signing of this agreement, a further cash payment of \$100,000 on or before 36 months of the signing of this agreement, a further cash payment of \$250,000 on or before 48 months of the signing of this agreement, and Aldever shall have completed \$1,000,000 in exploration expenditures (\$928,810 incurred to December 31, 2017) on the Mineral Claims within five years of the signing of the agreement.

On March 24, 2017, the Company issued 333,333 non-flow-through units as compensation toward the cash payments required in the option agreement (Note 8).

#### **Lac Chanceux Gold Project - Quebec, Canada**

On December 1, 2015, the Company entered into an option agreement to acquire a 100% interest in the Lac Chanceux Gold Project in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 33,333 common shares to the vendor (issued December 4, 2015), making a cash payment of \$50,000 on or before 18 months of TSX-V approval of this agreement, and incurring \$200,000 in exploration expenditures within the next five years. The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

During the year ended December 31, 2017, the Company recorded an impairment of \$107,000 as the option agreement was terminated.

## **ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

### **4) EXPLORATION AND EVALUATION ASSETS** *(continued)*

#### **Miller's Playa Project – Nevada, USA**

On February 12, 2016, the Company entered into an option agreement to acquire a 100% interest in the Miller's Playa Project in Nevada. Under the terms of the agreement, the Company can earn a 100% interest by issuing 300,000 common shares to the vendor (issued February 12, 2016), making a cash payment of \$50,000 within 18 months of TSX-V approval of this agreement, and \$150,000 within 36 months of TSX-V approval of this agreement, and incurring \$1,000,000 in exploration expenditures within the next five years. The Company's interest is subject to a ½% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

During the year ended December 31, 2017, the Company recorded an impairment of \$409,338 as the option agreement was terminated.

#### **Lac D'Or - Quebec, Canada**

On May 3, 2016, the Company entered into an option agreement to acquire a 100% interest in the Lac D'Or Claims in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 100,000 common shares to the vendor (issued May 3, 2016) (Note 8), making a cash payment of \$50,000 on or before 18 months of Exchange approval of this agreement (May 3, 2016), and incurring \$200,000 in exploration expenditures by May 3, 2021. The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

During the year ended December 31, 2017, the Company recorded an impairment of \$102,000 as the option agreement was terminated.

#### **ES Property - Quebec, Canada**

On November 2, 2016, the Company entered into an option agreement to acquire a 100% interest in the ES claims in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 208,333 common shares to the vendor (issued November 10, 2016) (Note 8) and incurring \$200,000 in exploration expenditures by November 2, 2021. The Company's interest is subject to a 1% NSR payable to the vendor, of which ½ % may be purchased for \$1,000,000.

During the year ended December 31, 2017, the Company terminated the ES Property project and recorded an impairment of \$62,500.

#### **Harris Creek - British Columbia, Canada**

On May 4, 2017, the Company entered into an option agreement to acquire a 100% interest in the Harris Creek Gold Property in British Columbia. Under the terms of the agreement, the Company can earn a 100% interest by issuing 166,666 common shares to the vendor (issued May 11, 2017) (Note 8), making a cash payment of \$150,000 on or before 18 months of Exchange approval of this agreement, a further \$150,000 within 36 months and incurring \$1,000,000 in exploration expenditures within five years (\$124,800 incurred to December 31, 2017). The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

During the year ended December 31, 2017 and the period ended September 30, 2018, the Company recorded impairment of \$157,300 and \$7,600, respectively, as the option agreement was terminated.

**ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

**4) EXPLORATION AND EVALUATION ASSETS** *(continued)***Nadina Mountain - British Columbia, Canada**

On November 21, 2017, the Company entered into an option agreement to acquire a 100% interest in the Nadina Mountain Creek Property in British Columbia. Under the terms of the agreement, the Company can earn a 100% interest by issuing 833,333 common shares to the vendor (issued December 4, 2017) (Note 8), making a cash payment of \$5,000, a further \$500,000 within 24 months and incurring \$200,000 in exploration expenditures within five years. The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

**5) FLOW-THROUGH SHARE LIABILITY**

For the purposes of calculating any premium related to the issuances of the flow-through units, the Company compares the market price of its shares to the subscription price of flow-through shares to determine if there was a premium paid on the flow-through shares. As a result, the Company's flow-through liability on issuance of flow-through shares in connection with the private placements (note 8) is as follows:

	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
Balance, beginning of period	\$	29,751	\$	64,011
Additions		-		78,427
Reversal		(15,035)		(112,687)
Balance, end of period	\$	14,716	\$	29,751

As at September 30, 2018, the Company is committed to spending approximately \$68,768 in connection with its flow-through offerings (December 31, 2017 - \$138,915).

**6) RELATED PARTY TRANSACTIONS**

During the nine months ended September 30, 2018, the Company incurred \$61,000 (2017 - \$38,700) in management and consulting fees paid to officers and directors and at September 30, 2018, the Company owed a director \$16,950 (2017 - \$Nil) in respect of fees. Included in prepaid expenses at September 30, 2018 is \$Nil (December 31, 2017 - \$20,000) advanced to an executive officer of the company.

Key management personnel comprise the Company's Board of Directors and executive officers.

## **ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

### **7) CAPITAL MANAGEMENT**

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements. There was no change to the Company's approach to capital management during the period.

### **8) SHARE CAPITAL**

#### **Authorized**

Unlimited number of common shares, without par value.

#### **Issued**

*During the year ended December 31, 2017:*

On February 15, 2017, the Company completed a private placement of 1,423,333 units at \$0.24 per unit, for gross proceeds of \$341,600. Each unit sold with a non-flow through share contains one common share of the Company and one share purchase warrant. Each unit sold with a flow through share contains one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow through common share at a price of \$0.36 until February 15, 2020. Of the units sold, 872,500 were flow through share units and 550,833 were non-flow through units.

In connection with the February 15, 2017 private placement, the Company issued 60,750 common shares as finder's fees. In addition, the Company issued 44,146 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.24 per share until three years after the issue date with a fair value of \$4,564. The Company paid \$34,160 in share issue costs related to this private placement.

On March 24, 2017, the Company completed a private placement of 1,070,000 units issued at a price of \$0.24 per unit for units containing flow through common shares and \$0.18 per unit for units containing non-flow through common shares. Total gross proceeds were \$231,800. Each unit sold with a non-flow through share contains one common share of the Company and one share purchase warrant. Each unit sold with a flow through share contains one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow through common share at a price of \$0.36 until March 24, 2020. Of the units sold, 653,333 were flow through share units and 416,667 were non-flow through units.

Included in the March 24, 2017 private placement were 333,333 non-flow through units issued with a fair value of \$60,000 in consideration for an option on the Urban Barry Gold Project (Note 5).

In connection with the March 24, 2017 private placement, the Company issued 32,666 common shares as finder's fees. In addition, the Company issued 16,333 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.24 per share until three years after the issue date with a fair value of \$1,127. The Company paid \$15,680 in share issue costs related to this private placement.

## **ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

### **8) SHARE CAPITAL** *(continued)*

#### **Issued** *(continued)*

On April 25, 2017, the Company completed a private placement of 555,566 units at a price of \$0.18 per unit, for gross proceeds of \$100,002. Each unit is comprised of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one non-flow through common share at a price of \$0.36 until April 25, 2020.

In connection with the April 25, 2017 private placement, the Company issued 20,833 common shares as finder's fees. In addition, the Company issued 20,833 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.36 per share until three years after the issue date with a fair value of \$1,440. The Company paid \$12,500 in share issue costs related to this private placement.

On May 11, 2017, the Company issued 166,666 common shares with a fair value of \$32,500 in consideration for an option on the Harris Creek Property (Note 5).

On July 31, 2017, the Company issued 1,000,000 common shares with a fair value of \$150,000 in consideration for amending the option on the Urban Barry Property (Note 5).

On December 4, 2017, the Company issued 833,333 common shares with a fair value of \$100,000 in consideration for an option on the Nadina Mountain Property (Note 5).

Of the total proceeds received from the sale of share units in the year ended December 31, 2017, \$594,975 was allocated to share capital and \$78,427 was allocated to flow-through share liability (Note 6).

#### *During the nine months ended September 30, 2018:*

Effective March 20, 2018, the Company consolidated its shares on the basis of one new, post-consolidated share for every 3 old, pre-consolidated shares. All share and per share amounts in these financial statements have been adjusted to reflect this share consolidation.

**ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

**8) SHARE CAPITAL (continued)****Warrants**

Details of common share purchase warrants outstanding at September 30, 2018 are as follows:

	Number of Warrants	Exercise price	Expiry date
Issued in private placement	667,961	\$ 1.80	November 25, 2018
Issued in private placement	171,079	\$ 1.80	December 21, 2018
Issued in private placement	92,078	\$ 1.80	December 30, 2018
Issued in private placement	391,667	\$ 1.80	February 3, 2019
Issued in private placement	23,000	\$ 1.53	February 3, 2019
Issued in private placement	185,593	\$ 1.59	April 5, 2019
Issued in private placement	250,000	\$ 0.36	December 15, 2019
Issued in private placement	10,000	\$ 0.36	December 29, 2019
Issued in private placement	1,031,229	\$ 0.36	February 15, 2020
Issued in private placement	1,093,000	\$ 0.36	March 24, 2020
Issued in private placement	576,400	\$ 0.36	April 25, 2020
	4,492,007	\$ 0.84	

Common share purchase warrant transactions during the periods ended September 30, 2018 and December 31, 2017 are as follows:

	September 30 2018		December 31 2017	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	4,558,673	\$ 0.84	1,858,044	\$ 1.53
Expired	(66,666)	0.45	-	
Issued February 15, 2017	-	-	987,083	0.36
Issued February 15, 2017	-	-	44,146	0.24
Issued March 24, 2017	-	-	1,076,667	0.36
Issued March 24, 2017	-	-	16,333	0.24
Issued April 25, 2017	-	-	576,400	0.36
Outstanding - end of period	4,492,007	\$ 0.84	4,558,673	\$ 0.84

The weighted average remaining contractual life of the issued and outstanding warrants at September 30, 2018 was 1.04 years.

**ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

**8) SHARE CAPITAL** *(continued)***Warrants** *(continued)*

The fair value of the 81,313 finder's warrants issued in connection with the private placements that closed in 2017 was estimated using the Black-Scholes option-pricing model at \$7,131. The following weighted average assumptions were used: Risk-free interest rate – 0.83 to 0.97%; Expected volatility – 100%; Expected dividend yield – nil; Expected life – 3 years; forfeiture rate – 20%.

**Share-based payments**

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 1,000,000 common shares of the Company. Under the plan, the exercise price of each option cannot be less than the discounted market price as defined in Policy 1.1 of the Exchange policies. The options can be granted for a maximum term of five years and the vesting period of each option grant is at the discretion of the board of directors, subject to applicable Exchange policies.

As at September 30, 2018, the Company had stock options issued to officers, directors and consultants of the Company outstanding as follows:

<b>Date of grant</b>	<b>Number of options issued</b>	<b>Exercisable</b>	<b>Exercise price</b>	<b>Expiry date</b>	<b>Weighted average remaining contractual life</b>
November 6, 2014	11,111	11,111	\$ 6.30	November 6, 2019	1.10 years
March 3, 2016	111,111	111,111	\$ 1.35	March 3, 2019	0.42 years

**Share-based payments Reserve**

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

## **ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

### **9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at September 30, 2018, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying values of cash and accounts payable approximate their fair values due to the immediate or short term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments are exposed to the following risks:

#### *Credit Risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and short-term investments. Cash and short-term investments are maintained with financial institutions of reputable credit.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at September 30, 2018 relating to cash and cash equivalents of \$30,953. All cash is held at a Canadian chartered bank and the Company considers the credit risk to be minimal for all cash assets based on changes that are reasonably possible at the reporting date.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet accounts payable requirements. The Company maintained sufficient cash balances to meet its needs at September 30, 2018.

#### *Foreign Exchange Risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

**ALDEVER RESOURCES INC.**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2018 and 2017

(Unaudited - Expressed in Canadian Dollars)

**9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** *(continued)**Interest Rate Risk*

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its cash equivalents. Management believes the interest rate risk to be minimal.

*Fair Value of Financial Instruments*

The fair value classification of the Company's financial instruments as at September 30, 2018 and December 31, 2017 is as follows:

	September 30 2018		December 31 2017		
	Fair Value Level	Fair value through profit or loss \$	Loans and receivables and other financial liabilities at amortized cost \$	Fair value through profit or loss \$	Loans and receivables and other financial liabilities at amortized cost \$
<i>Financial assets:</i>					
Cash and cash equivalents	1	30,953	-	92,843	-
<i>Financial liabilities:</i>					
Accounts payable	1	-	126,700	-	13,045

During the periods ended September 30, 2018 and December 31, 2017, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

**10) INVESTMENT**

During the year ended December 31, 2017, the Company received 300,000 shares of Rockridge Capital Corp. with a fair value of \$190,000 as an option payment on the Scotia Zinc-Silver Project (Note 4). The Company sold the 300,000 shares for proceeds of \$90,000 and recognized a loss on investment of \$100,000 during the year ended December 31, 2017.

**11) SUBSEQUENT EVENTS**

There are no subsequent events to report.