

**ALDEVER RESOURCES INC.**

Financial Statements

December 31, 2017



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aldever Resources Inc.:

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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

### Emphasis of Matter

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

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
April 3, 2018

**ALDEVER RESOURCES INC.**

Statements of Financial Position

As at December 31

(Expressed in Canadian Dollars)

	2017	2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 92,843	\$ 166,628
GST receivable	8,360	24,207
Prepaid expenses (note 7)	20,000	4,200
<b>Total Current Assets</b>	<b>121,203</b>	<b>195,035</b>
Exploration and evaluation assets (note 5)	1,768,810	3,476,310
<b>Total Assets</b>	<b>\$ 1,890,013</b>	<b>\$ 3,671,345</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 13,045	\$ 1,418
Accrued liabilities	24,476	18,852
Flow-through share liability (note 6)	29,751	64,011
<b>Total Current Liabilities</b>	<b>67,272</b>	<b>84,281</b>
<b>EQUITY</b>		
Share capital (note 9)	20,452,102	19,584,098
Warrants (note 9)	83,689	76,558
Share-based payments reserve (note 9)	1,328,523	1,328,523
Deficit	(20,041,573)	(17,402,115)
<b>Total Equity</b>	<b>1,822,741</b>	<b>3,587,064</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,890,013</b>	<b>\$ 3,671,345</b>

Nature and continuance of operations (note 1)

Subsequent event (Note 13)

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

Approved on behalf of the Board

Director *"signed"*

---

Clive MasseyDirector *"signed"*

---

Richard Ko

**ALDEVER RESOURCES INC.**

Statements of Comprehensive Loss  
For the Years Ended December 31  
(Expressed in Canadian Dollars)

	2017	2016
<b>EXPENSES</b>		
Consulting, management and directors' fees (note 7)	\$ 91,600	\$ 61,300
Claim registrations	1,474	-
General and administrative	3,068	5,206
Finance expense (recovery)	2,342	(51,681)
Investor relations	87,000	6,264
Professional fees	29,806	28,698
Regulatory and transfer agent fees	27,926	58,977
Share-based payment (notes 7 and 9)	-	45,042
<b>Loss from operations</b>	<b>(243,216)</b>	<b>(153,806)</b>
<b>Other items</b>		
Reversal of flow-through share liability (note 6)	112,687	344,507
Write-off of exploration and evaluation assets (note 5)	(2,409,349)	(2,582,427)
Loss on disposal of investment (note 12)	(100,000)	-
Interest income	420	2,703
	<b>(2,396,242)</b>	<b>(2,235,217)</b>
<b>Net and comprehensive loss</b>	<b>\$ (2,639,458)</b>	<b>\$ (2,389,023)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.20)</b>	<b>\$ (0.27)</b>
<b>Weighted average number of common shares outstanding</b>	<b>13,282,158</b>	<b>8,995,646</b>

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

## ALDEVER RESOURCES INC.

Statements of Changes in Equity  
(Expressed in Canadian Dollars)

	Notes	Number of Shares	Share capital	Share Subscription Receivable	Warrants	Share-Based Payments Reserve	Deficit	Total Equity
<b>Balance at January 1, 2016</b>		23,419,671	\$ 17,737,196	\$ (14,875)	\$ 54,513	\$ 1,283,481	\$ (15,013,092)	\$ 4,047,223
Shares issued to acquire exploration and evaluation assets	5, 9	2,658,333	1,060,500	-	-	-	-	1,060,500
Shares issued on private placement	9	3,601,555	1,069,300	14,875	-	-	-	1,084,175
Flow through share premium	9	-	(151,716)	-	-	-	-	(151,716)
Share issue costs	9	-	(131,182)	-	22,045	-	-	(109,137)
Share-based payment	9	-	-	-	-	45,042	-	45,042
Net and comprehensive loss		-	-	-	-	-	(2,389,023)	(2,389,023)
<b>Balance at December 31, 2016</b>		29,679,559	\$ 19,584,098	\$ -	\$ 76,558	\$ 1,328,523	\$ (17,402,115)	\$ 3,587,064
<b>Balance at January 1, 2017</b>		29,679,559	\$ 19,584,098	\$ -	\$ 76,558	\$ 1,328,523	\$ (17,402,115)	\$ 3,587,064
Shares issued to acquire exploration and evaluation assets	5, 9	7,000,000	342,500	-	-	-	-	342,500
Shares issued on private placement	9	9,146,700	673,402	-	-	-	-	673,402
Flow through share premium	9	-	(78,427)	-	-	-	-	(78,427)
Share issue costs	9	342,750	(69,471)	-	7,131	-	-	(62,340)
Net and comprehensive loss		-	-	-	-	-	(2,639,458)	(2,639,458)
<b>Balance at December 31, 2017</b>		46,169,009	\$ 20,452,102	\$ -	\$ 83,689	\$ 1,328,523	\$ (20,041,573)	\$ 1,822,741

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

**ALDEVER RESOURCES INC.**

Statements of Cash Flows

For the Years Ended December 31

(Expressed in Canadian Dollars)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (2,639,458)	\$ (2,389,023)
Add items not involving cash:		
Reversal of flow-through share liability	(112,687)	(344,507)
Write-off of exploration and evaluation assets	2,409,349	2,582,427
Share-based payment	-	45,042
Loss on disposal of investment	100,000	-
Working capital adjustments:		
GST receivable	15,847	8,781
Prepaid expenses	(15,800)	1,217
Accounts payable	6,627	(27,333)
Accrued liabilities	5,624	(52,606)
<b>Net cash flows used in by operating activities</b>	<b>(230,498)</b>	<b>(176,002)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from property option granted	25,000	-
Proceeds from sale of investment	90,000	-
Additions to exploration and evaluation assets	(569,349)	(1,403,810)
<b>Net cash flows used in investing activities</b>	<b>(454,349)</b>	<b>(1,403,810)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares - gross	673,402	1,069,300
Share subscriptions received	-	14,875
Share issue costs	(62,340)	(109,137)
<b>Net cash flows from financing activities</b>	<b>611,062</b>	<b>975,038</b>
<b>Change in cash and cash equivalents during the year</b>	<b>(73,785)</b>	<b>(604,774)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>166,628</b>	<b>771,402</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 92,843</b>	<b>\$ 166,628</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 92,843	\$ 133,628
Term deposit	-	33,000
	<b>\$ 92,843</b>	<b>\$ 166,628</b>

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

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(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 April 3, 2018 by the directors of the Company.

At the date of the 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 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 December 31, 2017, had a cumulative deficit of \$20,041,573. 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 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 8 and 10.

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

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

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 Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

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

#### **a) Share capital**

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date that the agreement to issue shares was concluded.

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

The preparation of the Company's 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 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 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 evaluations assets may not be recoverable.

#### **c) 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.

#### **d) Exploration and evaluation expenditures**

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and development of exploration and evaluation assets incurred subsequent to the acquisition of legal rights to explore are capitalized by property.

#### **e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held on call with banks.

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 3) SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f) Income taxes

##### Current income tax:

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

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

##### Deferred income tax:

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

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

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

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

#### g) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payments is measured using the Black-Scholes Option Pricing Model. The fair value of the share-based payment is recognized as an expense or capitalized to share capital with a corresponding increase in the share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related reserve amount is transferred to share capital.

#### h) Income (Loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted income (loss) per share is presented as the same as basic income (loss) per share.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### **3) SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

#### **i) 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 deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a 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 portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds in note 6.

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.

#### **j) Financial instruments**

##### **Financial assets**

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

##### **i. Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. Cash and cash equivalents are included in this category of financial assets.

##### **ii. Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment.

##### **iii. Held-to-maturity**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 3) SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### j) Financial instruments *(continued)*

##### Financial assets *(continued)*

##### iii. Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity. The Company currently does not have any financial assets classified as AFS.

Management assesses the carrying value of AFS financial assets at each reporting period and any impairment charges are also recognized in other comprehensive income or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are reclassified to profit and loss.

##### Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise.

### 4) NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

*New accounting standards issued but not yet effective*

#### **New standard IFRS 9 "Financial Instruments"**

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

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. The Company has determined that IFRS 9 will have no impact on its financial statements.

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 5) EXPLORATION AND EVALUATION ASSETS

	Balance Dec 31, 2016	2017 Additions	2017 Dispositions	2017 Impairment	Balance Dec 31, 2017
	\$	\$	\$	\$	\$
Scotia Zinc-Silver Project - British Columbia, Canada	215,000	-	(215,000)	-	-
Lac Villebon Gold - Quebec, Canada	1,570,000	1,211	-	(1,571,211)	-
Urban Barry Gold - Quebec, Canada	1,023,810	640,000	-	-	1,663,810
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
	3,476,310	916,849	(215,000)	(2,409,349)	1,768,810

	Balance Dec 31, 2015	2016 Additions	2016 Dispositions	2016 Impairment	Balance Dec 31, 2016
	\$	\$		\$	\$
Ford Lake Uranium Project - Saskatchewan, Canada	9,237	-	-	(9,237)	-
Scotia Zinc-Silver Project - British Columbia, Canada	215,000	-	-	-	215,000
Poplar Copper-Moly Project - British Columbia, Canada	271,939	500,000	-	(771,939)	-
DD-Group Project - Saskatchewan, Canada	580,000	-	-	(580,000)	-
Carter Lake Project - Saskatchewan, Canada	148,809	-	-	(148,809)	-
Margurete Gold Project - British Columbia, Canada	170,775	-	-	(170,775)	-
Patterson North East Project - Saskatchewan, Canada	735,000	-	-	(735,000)	-
Gulch Mine Project - Saskatchewan, Canada	166,667	-	-	(166,667)	-
Lac Villebon Gold - Quebec, Canada	340,000	1,230,000	-	-	1,570,000
Urban Barry Gold - Quebec, Canada	525,000	498,810	-	-	1,023,810
Lac Chanceux Gold - Quebec, Canada	57,000	50,000	-	-	107,000
ES Property -Quebec, Canada	-	62,500	-	-	62,500
Miller's Playa - Nevada, USA	-	396,000	-	-	396,000
Lac D'Or - Quebec, Canada	-	102,000	-	-	102,000
	3,219,427	2,839,310	-	(2,582,427)	3,476,310

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

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

#### **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 166,667 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 12), 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.

#### **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 666,667 common shares to the vendor (issued October 27, 2015) and incurring \$2,000,000 in exploration expenditures by October 21, 2020 (\$1,231,211 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, 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 1,166,667 common shares to the vendor (issued November 18, 2015), making a cash payment of \$250,000 on or before 18 months of Exchange approval of this agreement (November 18, 2015), and incurring \$1,000,000 in exploration expenditures by November 10, 2020 (\$928,810 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.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

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

#### **Urban Barry Gold Project - Quebec, Canada** *(continued)*

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 1,166,667 common shares (issued November 18, 2015), issuing 3,000,000 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 1,000,000 non-flow-through units as compensation toward the cash payments required in the option agreement (Note 9).

#### **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 100,000 common shares to the vendor (issued December 4, 2015), making a cash payment of \$50,000 on or before 18 months of Exchange approval of the agreement (December 4, 2015), and incurring \$200,000 in exploration expenditures by December 1, 2020 (\$50,000 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, the Company recorded an impairment of \$107,000 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 625,000 common shares to the vendor (issued November 10, 2016) (Note 9) 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.

#### **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 900,000 common shares to the vendor (issued February 12, 2016) (Note 9), 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 (\$13,338 incurred to December 31, 2017). The Company's interest is subject to a ½% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

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

#### **Miller's Playa Project – Nevada, USA** *(continued)*

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 300,000 common shares to the vendor (issued May 3, 2016) (Note 9), 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.

#### **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 500,000 common shares to the vendor (issued May 11, 2017) (Note 9), 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, the Company recorded an impairment of \$157,300 as the option agreement was terminated.

#### **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 2,500,000 common shares to the vendor (issued December 4, 2017) (Note 9), 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.

#### **Ford Lake Uranium Project – Saskatchewan, Canada**

On September 25, 2013 (amended March 21, 2015), the Company entered into an option agreement to earn a 100% interest in the Ford Lake uranium project located in Saskatchewan. Under the terms of the amended agreement, Aldever can earn a 100% interest by paying an aggregate of \$650,000 (\$150,000 paid to December 31, 2015) over three years and completing \$2,500,000 in exploration expenditures on the project within four years. A 1% Net Smelter Return ("NSR") was granted to the vendor, which may be purchased by the Company for \$1,500,000.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

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

#### **Ford Lake Uranium Project – Saskatchewan, Canada** *(continued)*

During the year ended December 31, 2016, the Company recorded an impairment of \$9,237 relating to claims that were not renewed.

#### **Poplar Copper-Moly Project - British Columbia, Canada**

On December 2, 2014, the Company entered into an option agreement to acquire a 100% interest, subject to existing royalties, in the Poplar Copper-Molybdenum prospect in British Columbia. To exercise the option the Company must make staged payments of \$3,000,000 over 3 years and incur \$3,000,000 in exploration expense over four years.

On April 28, 2015, the Company amended the original agreement. Under the amended terms of the agreement, the Company can earn a 100% interest by paying \$2,900,000 (\$50,000 paid December 22, 2014) over four years, issuing 250,000 common shares to the vendor (issued May 11, 2015) and incurring \$3,000,000 in exploration expenditures within the next four years. The Company's interest is subject to a legacy 1% and 2% NSR interests, which can be purchased for \$100,000 and \$1,000,000 respectively.

On January 13, 2016, the Company renegotiated the terms of the purchase agreement. Under the amended terms of the agreement, the Company can earn a 100% interest by issuing 833,333 common shares (issued on January 14, 2016) (Note 9) to the vendor and making the following cash payments: \$200,000 on or before December 22, 2016; \$200,000 on or before December 22, 2017; \$400,000 on or before December 22, 2018; and \$1,500,000 on or before December 22, 2019. The Company must also incur \$3,000,000 in exploration expenditures within six years. The Company's interest is subject to legacy 1% and 2% NSR interests, which can be purchased for \$100,000 and \$1,000,000 respectively.

During the year ended December 31, 2016, the Company terminated the Poplar Copper-Moly Project and recorded impairment of \$771,939.

#### **DD-Group Project - Saskatchewan, Canada**

On June 8, 2015, the Company entered into an option agreement to earn a 100% interest in the DD-Group claims which cover property along the Key Lake Road in northern Saskatchewan. The new claims will be added to the Company's Key Lake Road project. Under the terms of the agreement, the Company can earn a 100% interest by paying \$20,000 (paid June 16, 2015), issuing 666,667 common shares to the vendor (issued June 10, 2015) and completing \$2,000,000 in exploration expenditures within six years of the signing of the agreement. A 1% NSR has also been granted to the vendor, which may be purchased by the Company for \$1,000,000.

During the year ended December 31, 2016, the Company terminated the DD-Group Project and recorded an impairment of \$580,000.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

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

#### **Carter Lake Project - Saskatchewan, Canada**

On January 16, 2015, and as amended on April 2, 2015, the Company entered into an agreement to acquire an 80% interest in the Carter Lake Project, Saskatchewan. Under the terms of the agreement, the Company can earn an 80% interest by paying \$100,000 in year one (\$25,000 paid January 20, 2015), an additional \$400,000 over three years and incurring \$2,000,000 in exploration expenditures within the next six years (\$123,810 incurred to December 31, 2015). The Company's interest is subject to a 2% royalty interest to the underlying vendor, of which 1% can be purchased for \$1,000,000.

During the year ended December 31, 2016, the Company terminated the Carter Lake Agreement and recorded an impairment of \$148,809.

#### **Margurete Gold Project - British Columbia, Canada**

On March 5, 2015, the Company entered into an agreement to acquire a 100% interest in the Margurete Gold Project in British Columbia. Under the terms of the agreement, the Company can earn a 100% interest by paying \$50,000 (paid March 25, 2015), issuing 50,000 shares to the vendor (issued March 11, 2015) and incurring \$500,000 in exploration expenditures within the next four years (\$205,000 incurred to December 31, 2015). The Company's interest is subject to a 1% NSR payable to the vendor, which can be purchased for \$500,000.

During the year ended December 31, 2016, the Company terminated the Margurete Gold Project Option Agreement and recorded an impairment of \$170,775.

#### **Patterson North East ("PNE") Project - Saskatchewan, Canada**

On August 20, 2015, the Company entered into an option agreement to acquire a 100% interest in the PNE property in Saskatchewan. Under the terms of the agreement the Company can earn 100% interest by issuing 1,166,667 common shares within 5 days of Exchange approval of the agreement (issued September 1, 2015), paying an aggregate of \$300,000 within 36 months of the signing of the agreement and the Company must complete \$2,000,000 in exploration expenditures within six years of the signing of the agreement. The interest in the PNE Property is subject to a 1% NSR payable to the owner of which ½% may be purchased at any time by paying to the owner \$1,000,000, less all amounts previously received by the owner as NSR payments.

During the year ended December 31, 2016, the Company terminated the PNE Project Option Agreement and recorded an impairment of \$735,000.

#### **Gulch Mine Project - Saskatchewan, Canada**

On August 12, 2015, the Company entered into an option agreement to acquire a 90% interest in the Gulch Mine Project in Saskatchewan. Under the terms of the agreement, the Company can earn a 90% interest by paying an aggregate of \$500,000 to the vendor before May 21, 2019 and \$250,000 to the vendor on or before the fifth anniversary of the option agreement. The Company must also complete \$2,500,000 in exploration expenditures within five years (\$166,667 incurred to December 31, 2015). The interest in the Gulch Mine Project is subject to a 2.5% NSR payable to the owner, of which 1% may be purchased at any time by paying to the owner \$1,000,000, less all amounts previously received by the vendor as NSR payments.

During the year ended December 31, 2016, the Company terminated its agreement for the Gulch Mine Project and recorded an impairment of \$166,667.

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 6) FLOW-THROUGH SHARE LIABILITY

For the purposes of calculation 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 9) is as follows:

	2017	2016
Balance, beginning of year	\$ 64,011	\$ 256,802
Additions	78,427	151,716
Reversal	(112,687)	(344,507)
Balance, end of year	\$ 29,751	\$ 64,011

As of December 31, 2017, the Company is committed to spending approximately \$138,915 in connection with its flow-through offerings (December 31, 2016 - \$342,064).

### 7) RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017, the Company incurred \$53,300 (2016 - \$48,600) in management and consulting fees paid to a director and an executive officer. At December 31, 2017, the Company owed a company controlled by a director and a former director \$Nil (2016 - \$300) in respect of fees, which is included in accounts payable.

Key management personnel comprise the Company's Board of Directors and executive officers. During the year ended December 31, 2017, the Company incurred stock based compensation expense to key management personnel of \$Nil (2016: \$29,277).

Included in prepaid expenses and deposits is \$20,000 (2016: \$4,200) advanced to an executive officer of the Company.

### 8) 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 year.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### **9) SHARE CAPITAL**

#### **Authorized**

Unlimited number of common shares, without par value.

#### **Issued**

*During the year ended December 31, 2016:*

On January 14, 2016, the Company issued 833,333 common shares in consideration to amend a property option agreement for the Poplar Copper-Moly Project with a fair value of \$500,000 (Note 5).

On February 3, 2016, the Company completed a private placement of 1,175,000 units at \$0.51 per unit for units containing flow through shares and \$0.42 per unit for units containing non-flow through shares, for gross proceeds of \$554,550. Each unit is comprised of one common share or one non-flow through share of the Company and one share purchase warrant. Of the units sold, 678,333 units contained flow through shares, and 496,667 contained non-flow through shares. Each warrant entitles the holder to purchase one non-flow through common share at a price of \$0.60 until February 3, 2019.

In connection with the February 3, 2016 private placement, the Company issued 69,000 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.51 per share until three years after the issue date with a fair value of \$12,645. The Company paid \$77,177 in share issue costs related to this private placement.

On February 12, 2016 the Company issued 900,000 common shares in consideration for an option for the Miller's Playa Project with a fair value of \$396,000 (Note 5).

On April 5, 2016, the Company completed a private placement of 866,555 units at \$0.45 per unit, for gross proceeds of \$389,950. 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 \$0.525 until April 5, 2019. Of the units sold, 755,555 were flow through share units and 111,000 were non-flow through units. In connection with the April 5, 2016 private placement, the Company issued 68,000 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.525 per share until three years after the issue date with a fair value of \$9,400. The Company paid \$31,960 in share issue costs related to this private placement.

On May 3, 2016, the Company issued 300,000 common shares in consideration for an option on the Lac D'Or Gold project with a fair value of \$102,000 (Note 5).

On November 10, 2016, the Company issued 625,000 common shares in consideration for an option on the ES Property with a fair value of \$62,500 (Note 5).

On December 15 and 29, 2016, the Company completed a private placement of 1,560,000 units at \$0.08 per unit, for gross proceeds of \$124,800. Each unit is comprised of one flow through share of the Company and one half share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow through common share at a price of \$0.120 until December 15 and 29, 2019, respectively.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### **9) SHARE CAPITAL** *(continued)*

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

Of the total proceeds received from the sale of share units in the year ended December 31, 2016, \$917,584 was allocated to share capital and \$151,716 was allocated to flow-through share liability (Note 6).

*During the year ended December 31, 2017:*

On February 15, 2017, the Company completed a private placement of 4,270,000 units at \$0.08 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 \$0.12 until February 15, 2020. Of the units sold, 2,617,500 were flow through share units and 1,652,500 were non-flow through units.

In connection with the February 15, 2017 private placement, the Company issued 182,250 common shares as finder's fees. In addition, the Company issued 132,438 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.08 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 3,210,000 units issued at a price of \$0.08 per unit for units containing flow through common shares and \$0.06 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 \$0.12 until March 24, 2020. Of the units sold, 1,960,000 were flow through share units and 1,250,000 were non-flow through units.

Included in the March 24, 2017 private placement were 1,000,000 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 98,000 common shares as finder's fees. In addition, the Company issued 49,000 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.08 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.

On April 25, 2017, the Company completed a private placement of 1,666,700 units at a price of \$0.06 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 \$0.12 until April 25, 2020.

In connection with the April 25, 2017 private placement, the Company issued 62,500 common shares as finder's fees. In addition, the Company issued 62,500 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.12 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 500,000 common shares with a fair value of \$32,500 in consideration for an option on the Harris Creek Property (Note 5).

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 9) SHARE CAPITAL (continued)

#### Issued (continued)

On July 31, 2017, the Company issued 3,000,000 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 2,500,000 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, 2016, \$594,975 was allocated to share capital and \$78,427 was allocated to flow-through share liability (Note 6).

Subsequent to year end, 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 (Note 13). The weighted average number of common shares outstanding and loss per share figures have been adjusted to reflect this share consolidation. All other share and per share amounts in these financial statements are presented on a pre-consolidation basis.

#### Warrants

Details of common share purchase warrants outstanding at December 31, 2017 are as follows:

	Number of Warrants	Exercise price	Expiry date
Issued in private placement	200,000	\$ 0.15	April 8, 2018
Issued in private placement	2,003,884	\$ 0.60	November 25, 2018
Issued in private placement	513,237	\$ 0.60	December 21, 2018
Issued in private placement	276,233	\$ 0.60	December 30, 2018
Issued in private placement	1,175,000	\$ 0.60	February 3, 2019
Issued in private placement	69,000	\$ 0.51	February 3, 2019
Issued in private placement	556,778	\$ 0.53	April 5, 2019
Issued in private placement	750,000	\$ 0.12	December 15, 2019
Issued in private placement	30,000	\$ 0.12	December 29, 2019
Issued in private placement	2,961,250	\$ 0.12	February 15, 2020
Issued in private placement	132,438	\$ 0.08	February 15, 2020
Issued in private placement	3,230,000	\$ 0.12	March 24, 2020
Issued in private placement	49,000	\$ 0.08	March 24, 2020
Issued in private placement	1,729,200	\$ 0.12	April 25, 2020
	13,676,021	\$ 0.28	

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 9) SHARE CAPITAL (continued)

Common share purchase warrant transactions during the years ended December 31, 2017 and 2016 are as follows:

	2017		2016	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of year	5,574,133	\$ 0.51	2,993,355	\$ 0.57
Issued February 3, 2016	-	-	1,175,000	0.60
Issued February 3, 2016	-	-	69,000	0.51
Issued April 5, 2016	-	-	556,778	0.53
Issued December 15, 2016	-	-	750,000	0.12
Issued December 29, 2016	-	-	30,000	0.12
Issued February 15, 2017	2,961,250	0.12	-	-
Issued February 15, 2017	132,438	0.08	-	-
Issued March 24, 2017	3,230,000	0.12	-	-
Issued March 24, 2017	49,000	0.08	-	-
Issued April 25, 2017	1,729,200	0.12	-	-
Outstanding - end of year	13,676,021	\$ 0.280	5,574,133	\$ 0.51

The weighted average remaining contractual life of the issued and outstanding warrants at December 31, 2017 was 1.80 years.

The fair value of the 137,000 finder's warrants issued in connection with the private placements that closed in 2016 was estimated using the Black-Scholes Option-Pricing Model at \$22,045. The following weighted average assumptions were used: Risk-free interest rate – 0.40 to 0.51%; Expected volatility – 100%; Expected dividend yield – nil; Expected life – 3 years; forfeiture rate – 20%.

The fair value of the 243,938 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.

On March 3, 2016, the Board of Directors of the Company approved the issuance of 333,333 options to officers, directors and consultants at an exercise price of \$0.45. These options were granted for a period of three years and vest upon issuance. The estimated fair value, \$0.0563 per option, was calculated for the options using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.52%, expected life of 3 years, no annual dividends, expected volatility of 100% and a forfeiture rate of 20%. During the year ended December 31, 2016, the Company recognized \$45,042 in stock based compensation relating to this grant.

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 9) SHARE CAPITAL (continued)

#### Share-based payments (continued)

As at December 31, 2017 and 2016, the Company had stock options issued to officers, directors and consultants of the Company outstanding as follows:

Date of grant	Number of options issued	Exercisable	Exercise price	Expiry date	Weighted average remaining contractual life
November 6, 2014	33,333	33,333	\$ 2.10	November 6, 2019	1.84 years
March 3, 2016	333,333	333,333	\$ 0.45	March 3, 2019	1.17 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.

### 10) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2017, the Company's financial instruments consist of cash and accounts payables.

In management's opinion, the Company's carrying values of cash and account 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 is maintained with financial institutions of reputable credit.

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 10) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2017 relating to cash and cash equivalents of \$92,843. 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 account payables. The Company maintained sufficient cash balances to meet its needs at December 31, 2017.

#### *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.

#### *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 December 31, 2017 and 2016 is as follows:

During the years ended December 31, 2017 and 2016, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

	2017			2016		
	Fair Value Level	Fair value through profit or loss	Loans and receivables and other financial liabilities at	Fair value through profit or loss	Loans and receivables and other financial liabilities at	
		\$	\$	\$	\$	
<i>Financial assets:</i>						
Cash and cash equivalents	1	92,843	-	166,628	-	
<i>Financial liabilities:</i>						
Accounts payable	1	-	13,045	-	1,418	

## ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### 11) INCOME TAXES

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

	December 31, 2017 \$	December 31, 2016 \$
Loss before income taxes	(2,639,458)	(2,389,023)
Statutory tax rate	26%	26%
Expected income tax recovery at the statutory tax rate	(686,259)	(621,146)
Adjustments resulting from:		
Effect of share issuance costs not recognized	(16,208)	(28,376)
Reversal of flow through liability	(29,299)	(89,572)
Flow through renunciation	54,444	210,795
Other	236,172	(8,127)
Change in valuation allowance	441,150	536,426
Income tax recovery	-	-

The Company's deferred income tax assets are estimated as follows:

	December 31, 2017 \$	December 31, 2016 \$
Non-capital losses carried-forward	993,390	866,617
Share issuance costs	49,868	55,781
Resource development and exploration costs	862,306	542,016
Net potential deferred income tax asset	1,905,564	1,464,414
Valuation allowance	(1,905,564)	(1,464,414)
Net deferred income tax asset	-	-

A valuation allowance has been used to offset the net benefit related to the future tax assets due to the uncertainty associated with the ultimate realization of the non-capital losses and resource pools.

The Company has the following deductible temporary difference for which no deferred tax asset have been recognized and that can be carried forward indefinitely.

	December 31, 2017 \$	December 31, 2016 \$
Exploration and evaluation assets	5,085,374	5,560,986
Non-capital loss carryforwards and share issue costs	3,821,000	3,334,000
Share issuance costs	191,799	214,543
	9,098,173	9,109,529

The non-capital losses expire between 2024 and 2037.

## **ALDEVER RESOURCES INC.**

Notes to the Financial Statements

For the years ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

### **12) 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 5). 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.

### **13) SUBSEQUENT EVENT**

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 (Note 9).