

ALDEVER RESOURCES INC.

Interim Financial Statements

For the Nine Months Ended September 30, 2019 and 2018

(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 2019	December 31 2018
ASSETS		
Current assets		
Cash	\$ 9,756	\$ 20,344
GST receivable	2,463	12,147
Total Current Assets	12,219	32,491
Exploration and evaluation assets (note 4)	1,748,310	1,748,310
Total Assets	\$ 1,760,529	\$ 1,780,801
LIABILITIES		
Current liabilities		
Accounts payable	\$ 316,520	\$ 231,817
Accrued liabilities	-	15,454
Flow-through share liability (note 5)	-	10,026
Total Current Liabilities	316,520	257,297
SHAREHOLDERS' EQUITY		
Share capital (note 8)	20,533,102	20,452,102
Warrants (note 8)	83,689	83,689
Share-based payments reserve (note 8)	1,328,523	1,328,523
Deficit	(20,501,305)	(20,340,810)
Total Equity	1,444,009	1,523,504
Total Liabilities and Equity	\$ 1,760,529	\$ 1,780,801

Nature and continuance of operations (note 1)

Subsequent events (note 10)

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

Approved on behalf of the Board:

Director "Clive Massey"
Clive MasseyDirector "Richard Ko"
Richard Ko

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2019	2018	2019	2018
EXPENSES				
Claim registrations	\$ -	\$ -	\$ 3,110	\$ -
Consulting, management and directors' fees (note 6)	35,200	36,600	141,100	83,000
General and administrative	322	308	1,184	1,217
Finance expense (recovery)	(3,372)	-	(3,372)	-
Professional fees	2,869	1,880	6,127	2,964
Regulatory and transfer agent fees	5,064	2,749	22,372	16,478
Loss from operations	(40,083)	(41,537)	(170,521)	(103,659)
Other items				
Write-off of exploration and evaluation assets (note 4)	-	(7,600)	-	(7,600)
Gain on sale of property option (note 4)	-	15,000	-	15,000
Reversal of flow-through share liability (note 5)	-	15,035	10,026	15,035
	-	22,435	10,026	22,435
Net and comprehensive loss for the period	\$ (40,083)	\$ (19,102)	\$ (160,495)	\$ (81,224)
Basic and diluted income per share	\$ (0.01)	\$ (0.00)	\$ (0.03)	\$ (0.02)
Weighted average number of common shares outstanding	5,511,402	5,129,880	5,129,880	5,258,451

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 (note 10)	Share capital	Warrants	Share-Based Payments Reserve	Deficit	Total Equity
Balance at January 1, 2018	5,129,890	\$ 20,452,102	\$ 83,689	\$ 1,328,523	\$ (20,041,573)	\$ 1,822,741
Consolidation adjustment	(10)	-	-	-	-	-
Net and comprehensive loss	-	-	-	-	(81,224)	(81,224)
Balance at September 30, 2018	5,129,880	20,452,102	83,689	1,328,523	(20,122,797)	1,741,517
Balance at January 1, 2019	5,129,880	20,452,102	83,689	1,328,523	(20,340,810)	1,523,504
Shares issued to settle debts	1,350,000	81,000	-	-	-	81,000
Net and comprehensive loss	-	-	-	-	(160,495)	(160,495)
Balance at September 30, 2019	6,479,880	\$ 20,533,102	\$ 83,689	\$ 1,328,523	\$ (20,501,305)	\$ 1,444,009

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)

	For the nine months ended	
	September 30	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (160,495)	\$ (81,224)
Add Item not involving cash:		
Reversal of flow-through share liability	(10,026)	-
Working capital adjustments:		
GST receivable	9,684	(762)
Prepaid expenses	-	20,000
Accounts payable	165,703	14,994
Accrued liabilities	(15,454)	(14,119)
Net cash flows used in operating activities	(10,588)	(61,111)
Change in cash during the period	(10,588)	(61,111)
Cash, beginning of the period	20,344	92,843
Cash, end of the period	\$ 9,756	\$ 31,732

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, 2019 and 2018

(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 15, 2019 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, 2019, had a cumulative deficit of \$20,501,305. 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.

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, 2018, 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, 2019 and 2018

(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

IFRS 16 – Leases - On January 13, 2016 the IASB issued IFRS 16, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" at or before the date of initial adoption of IFRS 16.

The extent of the impact of adoption of the above standard on the financial statements of the Company is not expected to be significant.

ALDEVER RESOURCES INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

4) EXPLORATION AND EVALUATION ASSETS

	Balance Dec 31, 2018	2019 Additions	2019 Dispositions	2019 Impairment	Balance Sep 30, 2019
	\$	\$	\$	\$	\$
Urban Barry Gold - Quebec, Canada	1,748,309	-	-	-	1,748,309
Scotia Zinc-Silver Project - British Columbia, Canada	1	-	-	-	1
	1,748,310	-	-	-	1,748,310

	Balance Dec 31, 2017	2018 Additions	2018 Dispositions	2018 Impairment	Balance Dec 31, 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	-	(112,600)	1,748,310

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 18,518 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 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). The Company recorded a gain on sale of \$15,000.

ALDEVER RESOURCES INC.

Notes to the Interim Financial Statements

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(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 74,074 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 129,629 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 129,629 common shares (issued November 18, 2015), issuing 333,333 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 111,111 non-flow-through units as compensation toward the cash payments required in the option agreement (Note 8).

During the year ended December 31, 2018, the Company incurred \$84,500 (2017 - \$1,663,810) in exploration expenditures on the Urban Barry Gold Project.

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 11,111 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.

ALDEVER RESOURCES INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

4) EXPLORATION AND EVALUATION ASSETS *(continued)*

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 69,444 common shares to the vendor (issued November 10, 2016) 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 100,000 common shares to the vendor (issued February 12, 2016), making a cash payment of \$50,000 within 18 months of Exchange approval of this agreement, and \$150,000 within 36 months of Exchange 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.

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 33,333 common shares to the vendor (issued May 3, 2016), 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 55,555 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 years ended December 31, 2018 and 2017, the Company recorded impairment of \$7,600 and \$157,300, 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, 2019 and 2018

(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 277,777 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.

During the year ended December 31, 2018, the Company incurred \$Nil (2017 - \$105,000) in exploration expenditures on the Nadina Mountain Claims. The Company had suspended its intentions for additional exploration work on this property in an effort to focus on its remaining property, thus recording an impairment of \$100,000.

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:

	September 30, 2019	December 31, 2018
Balance, beginning of period	\$ 10,026	\$ 29,751
Reversal	(10,026)	(19,725)
Balance, end of period	\$ -	\$ 10,026

As at September 30, 2019, the Company has a commitment to spend approximately \$Nil in connection with its flow-through offerings (December 31, 2018 - \$46,815).

6) RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2019, the Company incurred \$109,600 (2018 - \$61,000) in management and consulting fees due to directors and a company with a common director. At September 30, 2019, the Company owed directors and a company with a common director \$90,330 (2018 - \$16,950) in respect of those fees.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the periods ended September 30, 2019 and 2018 other than as indicated above.

ALDEVER RESOURCES INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2019 and 2018

(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 474,444 units at \$0.72 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 \$1.08 until February 15, 2020. Of the units sold, 290,833 were flow through share units and 474,444 were non-flow through units.

In connection with the February 15, 2017 private placement, the Company issued 20,250 common shares as finder's fees. In addition, the Company issued 14,715 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.72 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 356,666 units issued at a price of \$0.72 per unit for units containing flow through common shares and \$0.54 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 \$1.08 until March 24, 2020. Of the units sold, 217,777 were flow through share units and 138,889 were non-flow through units.

Included in the March 24, 2017 private placement were 111,111 non-flow through units issued with a fair value of \$60,000 in consideration for an option on the Urban Barry Gold Project (Note 4).

In connection with the March 24, 2017 private placement, the Company issued 10,888 common shares as finder's fees. In addition, the Company issued, 5,444 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.72 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, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

8) SHARE CAPITAL *(continued)*

Issued *(continued)*

On April 25, 2017, the Company completed a private placement of 185,188 units at a price of \$0.54 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 \$1.08 until April 25, 2020.

In connection with the April 25, 2017 private placement, the Company issued 6,944 common shares as finder's fees. In addition, the Company issued 6,944 share purchase warrants as finder's fees on a non-flow through basis at a price of \$1.08 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 55,555 common shares with a fair value of \$32,500 in consideration for an option on the Harris Creek Property (Note 4).

On July 31, 2017, the Company issued 333,333 common shares with a fair value of \$150,000 in consideration for amending the option on the Urban Barry Property (Note 4).

On December 4, 2017, the Company issued 277,777 common shares with a fair value of \$100,000 in consideration for an option on the Nadina Mountain Property (Note 4).

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 5).

During the year ended December 31, 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.

During the nine months ended September 30, 2019:

Effective April 5, 2019, 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.

On September 4, 2019, the Exchange approved a debt settlement with four creditors. The Company issued 1,350,000 common shares of the Company at a deemed value of \$0.06 per common share in consideration for \$81,000 in debt outstanding. The common shares issued pursuant to the shares-for-debt settlement will be subject to a statutory hold period of four months plus a day.

ALDEVER RESOURCES INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

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

Details of common share purchase warrants outstanding at September 30, 2019 are as follows:

	Number of Warrants	Exercise price	Expiry date	Remaining Life (years)
Issued in private placement	83,333	\$ 1.08	December 15, 2019	0.21
Issued in private placement	3,333	\$ 1.08	December 29, 2019	0.25
Issued in private placement	329,028	\$ 1.08	February 15, 2020	0.38
Issued in private placement	14,715	\$ 0.72	February 15, 2020	0.38
Issued in private placement	358,889	\$ 1.08	March 24, 2020	0.48
Issued in private placement	5,444	\$ 0.72	March 24, 2020	0.48
Issued in private placement	192,133	\$ 1.08	April 25, 2020	0.57
	986,876	\$ 1.07		

Common share purchase warrant transactions during the periods ended September 30, 2019 and December 31, 2018 are as follows:

	September 30 2019		December 31 2018	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	1,186,963	\$ 1.79	1,519,558	\$ 2.52
Expired	(61,864)	4.77	-	-
Expired	(7,667)	4.59	-	-
Expired	-	-	(22,222)	1.35
Expired	(130,556)	5.40	(310,373)	5.40
Outstanding - end of period	986,876	\$ 1.07	1,186,963	\$ 1.79

The weighted average remaining contractual life of the issued and outstanding warrants at September 30, 2019 was 0.44 years.

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%.

ALDEVER RESOURCES INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

8) SHARE CAPITAL (continued)

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 111,111 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, 2019, 111,111 options granted on March 3, 2016 expired unexercised. The remaining 11,111 options granted on November 6, 2014 expired unexercised during the period ended September 30, 2019. As at September 30, 2019, the Company had no stock options outstanding.

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.

9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2019, 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.

ALDEVER RESOURCES INC.

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars)

9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at September 30, 2019 relating to cash of \$9,756. 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 did not maintain sufficient cash balances to meet its needs at September 30, 2019 and will need to raise additional funding by issuing equity.

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 September 30, 2019 and December 31, 2018 is as follows:

	September 30, 2019		December 31, 2018	
	Fair Value Level	Fair value through profit or loss	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	9,756	-	20,344
<i>Financial liabilities:</i>				
Accounts payable	1	-	316,520	231,817

During the periods ended September 30, 2019 and December 31, 2018, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.