

ALDEVER RESOURCES INC.

Financial Statements

December 31, 2018



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aldever Resources Inc.

Opinion

We have audited the financial statements of Aldever Resources Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company has had significant losses over the years and had a cumulative deficit of \$20,340,810 as at December 31, 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Cherry Ho.

A handwritten signature in dark ink that reads "DMCL".

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 22, 2019

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ALDEVER RESOURCES INC.

Statements of Financial Position

As at December 31

(Expressed in Canadian Dollars)

	2018	2017
ASSETS		
Current assets		
Cash	\$ 20,344	\$ 92,843
GST receivable	12,147	8,360
Prepaid expenses (note 7)	-	20,000
Total Current Assets	32,491	121,203
Exploration and evaluation assets (note 5)	1,748,310	1,768,810
Total Assets	\$ 1,780,801	\$ 1,890,013
LIABILITIES		
Current liabilities		
Accounts payable	\$ 231,817	\$ 13,045
Accrued liabilities	15,454	24,476
Flow-through share liability (note 6)	10,026	29,751
Total Current Liabilities	257,297	67,272
SHAREHOLDERS' EQUITY		
Share capital (note 9)	20,452,102	20,452,102
Warrants (note 9)	83,689	83,689
Share-based payments reserve (note 9)	1,328,523	1,328,523
Deficit	(20,340,810)	(20,041,573)
Total Equity	1,523,504	1,822,741
Total Liabilities and Equity	\$ 1,780,801	\$ 1,890,013

Nature and continuance of operations (note 1)

Subsequent events (note 13)

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board

Director “Clive Massey”
Clive MasseyDirector “Richard Ko”
Richard Ko

ALDEVER RESOURCES INC.

Statements of Comprehensive Loss

For the Years Ended December 31

(Expressed in Canadian Dollars)

	2018	2017
EXPENSES		
Consulting, management and directors' fees (note 7)	\$ 126,500	\$ 91,600
Claim registrations	-	1,474
General and administrative	1,652	3,068
Finance expense	-	2,342
Investor relations	-	87,000
Professional fees	15,867	29,806
Property investigation	62,000	-
Regulatory and transfer agent fees	20,343	27,926
Loss from operations	(226,362)	(243,216)
Other items		
Reversal of flow-through share liability (note 6)	19,725	112,687
Write-off of exploration and evaluation assets (note 5)	(107,600)	(2,409,349)
Loss on disposal of investment (note 12)	-	(100,000)
Gain on sale of property option (note 5)	15,000	-
Interest income	-	420
	(72,875)	(2,396,242)
Net and comprehensive loss for the year	\$ (299,237)	\$ (2,639,458)
Basic and diluted loss per share	\$ (0.06)	\$ (0.60)
Weighted average number of common shares outstanding	5,129,887	4,422,386

On April 5, 2019, the Company consolidated its shares on the basis of one new post-consolidated share for every three old pre-consolidated shares. The basis and diluted loss per share and weighted average number of common shares have been adjusted to reflect this share consolidation.

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	Warrants	Share-Based Payments Reserve	Deficit	Total Equity
Balance at January 1, 2017		9,893,187	\$ 19,584,098	\$ 76,558	\$ 1,328,523	\$ (17,402,115)	\$ 3,587,064
Shares issued to acquire exploration and evaluation asset	5,9	2,333,333	342,500	-	-	-	342,500
Shares issued on private placement	9	3,048,900	673,402	-	-	-	673,402
Flow through share premium	9	-	(78,427)	-	-	-	(78,427)
Share issue costs	9	114,250	(69,471)	7,131	-	-	(62,340)
Net and comprehensive loss		-	-	-	-	(2,639,458)	(2,639,458)
Balance at December 31, 2017		15,389,670	\$ 20,452,102	\$ 83,689	\$ 1,328,523	\$ (20,041,573)	\$ 1,822,741
Balance at January 1, 2018		15,389,670	20,452,102	83,689	1,328,523	(20,041,573)	1,822,741
Consolidation adjustment		(9)	-	-	-	-	-
Net and comprehensive loss		-	-	-	-	(299,237)	(299,237)
Balance at December 31, 2018		15,389,661	\$ 20,452,102	\$ 83,689	\$ 1,328,523	\$ (20,340,810)	\$ 1,523,504

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)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (299,237)	\$ (2,639,458)
Add Item not involving cash:		
Reversal of flow-through share liability	(19,725)	(112,687)
Write-off of exploration and evaluation assets	107,600	2,409,349
Loss on disposal of investment	-	100,000
Gain on sale of property option	(15,000)	-
Working capital adjustments:		
GST receivable	(3,787)	15,847
Prepaid expenses	20,000	(15,800)
Accounts payable	223,772	6,627
Accrued liabilities	(9,022)	5,624
Net cash flows provided by (used in) operating activities	4,601	(230,498)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from property option granted	15,000	25,000
Proceeds from sale of investment	-	90,000
Additions to exploration and evaluation assets	(92,100)	(569,349)
Net cash flows used in investing activities	(77,100)	(454,349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares - gross	-	673,402
Share issue costs	-	(62,340)
Net cash flows from financing activities	-	611,062
Change in cash during the year	(72,499)	(73,785)
Cash, beginning of the year	92,843	166,628
Cash, end of the year	\$ 20,344	\$ 92,843

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, 2018 and 2017

(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 22, 2019 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, 2018, had a cumulative deficit of \$20,340,810. 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, 2018 and 2017

(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, 2018 and 2017

(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 liability 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, 2018 and 2017

(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

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial instruments (continued)

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

4) ACCOUNTING STANDARDS NOT YET EFFECTIVE.

The following standard will be adopted by the Company effective January 1, 2019:

- *IFRS 16 Leases* will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company does not expect the adoption of this standard will have a material impact on its financial statements.

5) EXPLORATION AND EVALUATION ASSETS

	Balance Dec 31, 2017	2018 Additions	2018 Dispositions	2018 Impairment	Balance Dec 31, 2018
	\$	\$	\$	\$	\$
Urban Barry Gold - Quebec, Canada	1,663,810	84,500	-	-	1,748,310
Harris Creek - British Columbia, Canada	-	7,600	-	(7,600)	-
Nadina Mountain - British Columbia, Canada	105,000	(5,000)	-	(100,000)	-
	1,768,810	87,100	-	(107,600)	1,748,310

	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

Scotia Zinc-Silver Project - British Columbia, Canada

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

On May 13, 2015, the Company amended the original agreement. Under the amended terms of the agreement, the Company can earn a 100% interest by paying \$75,000 (paid on January 19, 2015) and issuing 55,556 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, 66,667 shares within five days after January 23, 2017 (received 300,000 shares with a fair value of

ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS *(continued)*

Scotia Zinc-Silver Project - British Columbia, Canada *(continued)*

\$190,000) (Note 12), 100,000 shares on or before January 9, 2018 and 133,333 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.

Lac Villebon Gold Project - Quebec, Canada

On October 21, 2015, the Company entered into an option agreement to acquire a 100% interest in the Lac Villebon Gold Project in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 222,222 common shares to the vendor (issued October 27, 2015) and incurring \$2,000,000 in exploration expenditures 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 388,889 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.

On July 5, 2017, the Company amended its option agreement for the Urban Barry Gold Project. Under the amended terms the Company can earn a 100% interest by issuing 388,889 common shares (issued November 18, 2015), issuing 1,000,000 common shares on or before July 10, 2017, if within 5 days of Exchange approval of this agreement (issued July 31, 2017) (Note 9), making a cash payment of \$50,000 on or before 24 months of the signing of this agreement, a further cash payment of \$100,000 on or before 30 months of the signing of this agreement, a further cash payment of \$100,000 on or before 36 months of the signing of this agreement, a further cash payment of \$250,000 on or before 48 months of the signing of this agreement, and Aldever shall have completed \$1,000,000 in exploration expenditures (\$928,810 incurred to December 31, 2017) on the Mineral Claims within five years of the signing of the agreement.

On March 24, 2017, the Company issued 333,333 non-flow-through units as compensation toward the cash payments required in the option agreement (Note 9).

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.

ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS *(continued)*

Lac Chanceux Gold Project - Quebec, Canada

On December 1, 2015, the Company entered into an option agreement to acquire a 100% interest in the Lac Chanceux Gold Project in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 33,333 common shares to the vendor (issued December 4, 2015), making a cash payment of \$50,000 on or before 18 months of 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 208,333 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 300,000 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 100,000 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.

ALDEVER RESOURCES INC.

Notes to the Financial Statements

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5) EXPLORATION AND EVALUATION ASSETS *(continued)*

Harris Creek - British Columbia, Canada

On May 4, 2017, the Company entered into an option agreement to acquire a 100% interest in the Harris Creek Gold Property in British Columbia. Under the terms of the agreement, the Company can earn a 100% interest by issuing 166,667 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 years ended December 31, 2018 and 2017, the Company recorded impairment of \$7,600 and \$157,300, respectively, 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 833,333 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.

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 currently suspended its intentions for additional exploration work on this property in an effort to focus on its sustaining property, thus recording an impairment of \$100,000.

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:

	2018	2017
Balance, beginning of year	\$ 29,751	\$ 64,011
Additions	-	78,427
Reversal	(19,725)	(112,687)
Balance, end of year	\$ 10,026	\$ 29,751

As of December 31, 2018, the Company is committed to spending approximately \$46,815 in connection with its flow-through offerings (December 31, 2017 - \$138,915).

ALDEVER RESOURCES INC.

Notes to the Financial Statements

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(Expressed in Canadian Dollars)

7) RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, the Company incurred \$94,000 (2017 - \$53,300) in management and consulting fees paid to directors and a company with a common director. At December 31, 2018, the Company owed directors and a company controlled by a director \$50,895 (2017 - \$Nil) in respect of fees, which is included in accounts payable and accrued liabilities. Included in prepaid expenses at December 31, 2018 is \$Nil (2017 - \$20,000) advanced to an executive officer of the Company.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the years ended December 31, 2018 and 2017 other than as indicated above.

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.

9) SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the year ended December 31, 2017:

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

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

On March 24, 2017, the Company completed a private placement of 1,070,000 units issued at a price of \$0.24 per unit for units containing flow through common shares and \$0.06 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

ALDEVER RESOURCES INC.

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

9) SHARE CAPITAL

Issued *(continued)*

contains one common share of the Company and one share purchase warrant. Each unit sold with a flow through share contains one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow through common share at a price of \$0.36 until March 24, 2020. Of the units sold, 653,333 were flow through share units and 416,667 were non-flow through units.

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

In connection with the March 24, 2017 private placement, the Company issued 32,667 common shares as finder's fees. In addition, the Company issued 16,333 share purchase warrants as finder's fees on a non-flow through basis at a price of \$0.24 per share until three years after the issue date with a fair value of \$1,127. The Company paid \$15,680 in share issue costs related to this private placement.

On April 25, 2017, the Company completed a private placement of 555,567 units at a price of \$0.18 per unit, for gross proceeds of \$100,002. Each unit is comprised of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one non-flow through common share at a price of \$0.36 until April 25, 2020.

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

On May 11, 2017, the Company issued 166,667 common shares with a fair value of \$32,500 in consideration for an option on the Harris Creek Property (Note 5).

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

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

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

During the 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.

ALDEVER RESOURCES INC.

Notes to the Financial Statements

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9) SHARE CAPITAL (continued)**Warrants**

Details of common share purchase warrants outstanding at December 31, 2018 are as follows:

	Number of Warrants	Exercise price	Expiry date
Issued in private placement*	391,667	\$ 1.80	February 3, 2019 *
Issued in private placement*	23,000	\$ 1.53	February 3, 2019 *
Issued in private placement*	185,593	\$ 1.59	April 5, 2019 *
Issued in private placement	250,000	\$ 0.36	December 15, 2019
Issued in private placement	10,000	\$ 0.36	December 29, 2019
Issued in private placement	987,083	\$ 0.36	February 15, 2020
Issued in private placement	44,146	\$ 0.24	February 15, 2020
Issued in private placement	1,076,667	\$ 0.36	March 24, 2020
Issued in private placement	16,333	\$ 0.24	March 24, 2020
Issued in private placement	576,400	\$ 0.36	April 25, 2020
	3,560,889	\$ 0.59	

* Subsequent to December 31, 2018, 600,259 warrants expired.

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

	2018		2017	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of year	4,558,673	\$ 0.84	1,858,044	\$ 1.53
Expired	(66,666)	0.45	-	-
Expired	(931,118)	1.80	-	-
Issued February 15, 2017	-	-	987,083	0.36
Issued February 15, 2017	-	-	44,146	0.24
Issued March 24, 2017	-	-	1,076,667	0.36
Issued March 24, 2017	-	-	16,333	0.24
Issued April 25, 2017	-	-	576,400	0.36
Outstanding - end of year	3,560,889	\$ 0.59	4,558,673	\$ 0.84

The weighted average remaining contractual life of the issued and outstanding warrants at December 31, 2018 was 1.01 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 Financial Statements

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9) 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 333,333 common shares of the Company. Under the plan, the exercise price of each option cannot be less than the discounted market price as defined in Policy 1.1 of the Exchange policies. The options can be granted for a maximum term of five years and the vesting period of each option grant is at the discretion of the board of directors, subject to applicable Exchange policies.

As at December 31, 2018 and 2017, 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	11,111	11,111	\$ 6.30	November 6, 2019	0.85 year
March 3, 2016	111,111	111,111	\$ 1.35	March 3, 2019	0.17 year*

* Subsequent to December 31, 2018, 111,111 options expired unexercised.

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, 2018, 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.

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Notes to the Financial Statements

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

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.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2018 relating to cash of \$20,344. 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 December 31, 2018 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 December 31, 2018 and 2017 is as follows:

	2018		2017	
	Fair Value Level	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss
		\$	\$	\$
<i>Financial assets:</i>				
Cash and cash equivalents	1	20,344	-	92,843
<i>Financial liabilities:</i>				
Accounts payable	1	-	231,817	13,045

ALDEVER RESOURCES INC.

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For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

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

Fair Value of Financial Instruments (continued)

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

11) INCOME TAXES

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

	December 31, 2018 \$	December 31, 2017 \$
Loss before income taxes	(299,237)	(2,639,458)
Statutory tax rate	27%	26%
Expected income tax recovery at the statutory tax rate	(80,794)	(686,259)
Adjustments resulting from:		
Effect of share issuance costs not recognized	-	(16,208)
Reversal of flow through liability	8,033	(29,299)
Flow through renunciation	37,507	54,444
Other	124,186	236,172
Change in tax rates	(73,291)	-
Change in valuation allowance	(15,641)	441,150
Income tax recovery	-	-

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

	December 31, 2018	December 31, 2017 \$
Non-capital losses carried-forward	1,070,573	993,390
Share issuance costs	29,519	49,868
Resource development and exploration costs	789,831	862,306
Net potential deferred income tax asset	1,889,923	1,905,564
Valuation allowance	(1,889,923)	(1,905,564)
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, 2018 \$
Exploration and evaluation assets	4,735,611
Non-capital loss carryforwards	3,965,087
Share issuance costs	109,331
	8,810,029

The non-capital losses expire between 2024 and 2038.

ALDEVER RESOURCES INC.

Notes to the Financial Statements

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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 EVENTS

On March 3, 2019, 111,111 options granted on March 3, 2016 expired unexercised.

414,667 and 185,593 warrants issued on February 3, 2016 and April 5, 2016 expired on February 3, 2019 and April 5, 2019 respectively.

The consolidated shares of the Company commenced trading on the Exchange on the basis of one new, post consolidated share for every three old pre-consolidated shares on April 5, 2019.