

ABEN RESOURCES LTD.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

JUNE 30, 2017

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended June 30, 2017.

ABEN RESOURCES LTD.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	June 30, 2017	September 30, 2016
ASSETS		
Current		
Cash and equivalents	\$ 1,499,042	\$ 49,608
Marketable securities (Note 4)	125,000	65,000
Receivables and prepaid expenses (Note 5)	<u>133,148</u>	<u>52,639</u>
	1,757,190	167,247
Equipment (Note 6)	9,098	9,098
Reclamation deposit	38,000	-
Exploration and evaluation assets (Note 7)	<u>5,101,632</u>	<u>4,691,614</u>
	<u>\$ 6,905,920</u>	<u>\$ 4,867,959</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 8)	<u>\$ 15,685</u>	<u>\$ 95,321</u>
Shareholders' Equity		
Capital stock (Note 9)	30,505,695	28,065,875
Reserves (Note 9)	2,453,907	2,284,453
Deficit	<u>(26,069,367)</u>	<u>(25,577,690)</u>
	<u>6,890,235</u>	<u>4,772,638</u>
	<u>\$ 6,905,920</u>	<u>\$ 4,867,959</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 15)

"Don Huston" Director
Don Huston

"Jim Pettit" Director
Jim Pettit

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

ABEN RESOURCES LTD.**CONDENSED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

(Unaudited - Expressed in Canadian Dollars)

PERIOD ENDED

	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	3 months	3 months	9 months	9 months
GENERAL AND ADMINISTRATIVE EXPENSES				
Consulting fees	\$ 66,561	\$ 29,021	\$ 168,022	\$ 69,040
Insurance	1,786	1,386	1,786	4,158
Office and administration	21,357	10,655	56,160	46,869
Professional fees	20,056	20,777	58,897	41,224
Rent	5,972	7,261	23,833	22,045
Share-based payments (Note 9)	-	65,037	148,775	65,037
Shareholder communications	19,701	9,774	50,274	27,059
Transfer agent and filing fees	10,711	6,506	15,352	8,914
Travel	6,007	744	28,855	4,553
	<u>(152,151)</u>	<u>(151,161)</u>	<u>(551,954)</u>	<u>(288,899)</u>
OTHER ITEMS				
Interest income	-	-	277	-
Unrealized Gain/Loss on marketable securities	(5,000)	10,000	60,000	20,000
Write-off of exploration and evaluation assets (Note 6)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,080)</u>
	<u>(5,000)</u>	<u>10,000</u>	<u>60,277</u>	<u>15,920</u>
Income (loss) and comprehensive income (loss) for the period	<u>\$ (157,151)</u>	<u>\$ (141,161)</u>	<u>\$ (491,677)</u>	<u>\$ (272,979)</u>
Basic and diluted income (loss) per common share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding	<u>31,282,292</u>	<u>5,486,975</u>	<u>27,339,964</u>	<u>5,486,975</u>

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

ABEN RESOURCES LTD.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
NINE MONTHS ENDED JUNE 30

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (491,677)	\$ (272,979)
Items not affecting cash:		
Unrealized gain on marketable securities	(60,000)	(20,000)
Loss on sale of exploration and evaluation asset	-	4,080
Share-based compensation	148,775	65,037
Changes in non-cash working capital items:		
(Increase) Decrease in receivables and prepaid expenses	(80,509)	(38,723)
Increase (Decrease) in accounts payable and accrued liabilities	<u>(79,636)</u>	<u>(82,384)</u>
Net cash flows used in operating activities	<u>(563,047)</u>	<u>(344,969)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reclamation deposit	(38,000)	-
Exploration and evaluation assets	<u>(190,018)</u>	<u>(8,642)</u>
Net cash flows used in investing activities	<u>(228,018)</u>	<u>(8,642)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	2,281,800	587,795
Share issuance costs	<u>(41,301)</u>	<u>(10,578)</u>
Net cash flows provided by financing activities	<u>2,240,499</u>	<u>577,217</u>
Change in cash and equivalents during the period	1,449,434	223,606
Cash and equivalents, beginning of period	<u>49,608</u>	<u>1,876</u>
Cash and equivalents, end of period	<u>\$ 1,499,042</u>	<u>\$ 225,482</u>

Supplemental disclosures with respect to cash flows (Note 11)

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

ABEN RESOURCES LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Capital Stock				
	Number	Amount	Reserves	Deficit	Total
Balance as at September 30, 2016	20,652,907	\$ 28,065,875	\$ 2,284,453	\$(25,577,690)	\$ 4,772,638
Private placements	19,318,333	1,862,000	-	-	1,862,000
Share issuance costs	-	(61,980)	20,679	-	(41,301)
Exercise of warrants	4,198,000	419,800	-	-	419,800
Exploration and evaluation assets	2,250,000	220,000	-	-	220,000
Share-based payments	-	-	148,775	-	148,775
Loss for the period	-	-	-	(491,677)	(491,677)
Balance as at June 30, 2017	46,419,240	30,505,695	2,453,907	(26,069,367)	6,890,235
Balance as at September 30, 2015	4,493,907	26,795,047	2,210,403	(25,176,111)	3,829,339
Private placements	10,085,000	504,250	-	-	504,250
Share issuance costs	-	(13,836)	3,258	-	(10,578)
Exercise of warrants	1,519,000	83,545	-	-	83,545
Share-based payments	-	-	65,037	-	65,037
Loss for the period	-	-	-	(272,979)	(272,979)
Balance, as at June 30, 2016	16,097,907	\$27,369,006	\$ 2,278,698	\$(25,449,090)	\$ 4,198,614

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Aben Resources Ltd. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on February 8, 1960. The Company trades on the TSX Venture Exchange ("TSX-V") and is principally engaged in acquisition, exploration and evaluation of resource properties.

The head office and records office of the Company are located at Suite #1610 - 777 Dunsmuir Street, Vancouver, British Columbia, Canada. The registered office is located at Suite #1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada.

The Company's principal business activity is the acquisition and exploration of mineral property interests, at the present principally in British Columbia, Saskatchewan and Yukon, Canada. The Company is considered to be in the exploration stage and substantially all of the Company's efforts are devoted to financing and exploring these property interests. There has been no determination whether the Company's interests in unproven mineral properties contain mineral reserves which are economically recoverable.

The Company continues to be dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration projects, and ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PREPARATION

Statement of Compliance and Conversion to International Financial Reporting Standards

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Critical accounting estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based compensation expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.
- iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.
- iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

Cash and equivalents

Cash is comprised of cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Equipment

Equipment, which consists of improvements made to the Company's rented office premises, is recorded at cost. Amortization of equipment is calculated using the straight-line method over the term of the rental agreement.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Provision for environmental rehabilitation (cont'd...)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The Company had no provisions for environmental rehabilitation as at March 31, 2017.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. A premium liability is recognized for the share price premium paid by investors when acquiring the flow-through shares. The premium liability is reduced and other income is recognized on the renounced tax deductions as eligible expenditures are incurred.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and equivalents, and marketable securities as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financing charges

Financing charges that reflect the cost to obtain new debt financing are expensed as incurred. Financing charges that reflect the cost to obtain new equity financing are deducted from shareholders' equity.

New accounting standards and interpretations

Certain new standards, interpretations and amendments to existing have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2016, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristic of the financial assets. This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 – Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

ABEN RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
JUNE 30, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Amendments to IAS 1 Presentation of Financial Statements

The amendments are designed to encourage companies to apply judgment to determine what information to disclose in the financial statements. In addition, the amendments clarify that companies should use judgment in determining where and in what order information is presented in the financial disclosures. The amendment is effective for annual periods beginning on or after January 1, 2016.

4. MARKETABLE SECURITIES

During fiscal 2016, the Company sold its Mann Lake Property and received 250,000 common shares of a publicly traded company with an initial cost of \$30,000. An unrealized gain on marketable securities of \$65,000 (2016 - \$35,000) has been recorded in the statement of loss and comprehensive loss.

5. RECEIVABLES AND PREPAID EXPENSES

The Company's receivables and prepaid expenses arise from two main sources goods and service tax ("GST") and prepaid expenses. These are broken down as follows:

	June 30, 2017	September 30, 2016
GST receivable	\$ 16,211	\$ 12,126
Prepayments	<u>30,679</u>	<u>40,513</u>
Total	\$ 46,890	\$ 52,639

6. EQUIPMENT

	Equipment
Cost	
Balance, September 30, 2016 and June 30, 2017	\$ 19,850
Accumulated amortization	
Balance, September 30, 2014	4,135
Amortization	<u>3,309</u>
Balance, September 30, 2015	7,444
Amortization	<u>3,308</u>
Balance, September 30, 2016 and June 30, 2017	10,752
Carrying amounts	
As at September 30, 2015	\$ 12,406
As at September 30, 2016 and June 30, 2017	\$ 9,098

ABEN RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
JUNE 30, 2017

7. EXPLORATION AND EVALUATION ASSETS

June 30, 2017	Forest Kerr Claims	Yukon Claims	Saskatchewan/ Chico Claims	Total
Acquisition costs:				
Balance, beginning of period	\$ 675,513	\$ 700,000	\$ 7,088	\$ 1,382,601
Additions	<u>200,000</u>	<u>-</u>	<u>54,224</u>	<u>254,224</u>
Balance, end of period	<u>875,513</u>	<u>700,000</u>	<u>61,312</u>	<u>1,636,825</u>
Exploration costs:				
Incurred during the year:				
Accommodation/food/groceries	320	-	-	320
Advances	5,700	-	49,928	55,628
Assaying/sampling	17,160	-	-	17,160
Consulting/subcontractors	46,700	1,512	4,615	52,827
Data files	5,000	-	-	5,000
Dues/fees/permits	50	-	-	50
Equipment rental	128	-	-	128
Field assistants	-	-	-	-
Fuel/mileage/maintenance	217	-	-	217
Geophysics survey	-	-	13,444	13,444
GIS/logistics/specialists	-	-	-	-
Maps/reports	(305)	-	9,911	9,606
Office/miscellaneous	-	39	-	39
Staking/linecutting	-	-	-	-
Supplies	305	-	-	305
Tenure manager	-	-	-	-
Transportation/shipping	-	68	-	68
Travel	<u>1,002</u>	<u>-</u>	<u>-</u>	<u>1,002</u>
	76,277	1,619	77,898	155,794
Balance, beginning of period	91,662	3,217,351	-	3,309,013
Sale of exploration and evaluation asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>167,939</u>	<u>3,218,970</u>	<u>77,898</u>	<u>3,464,807</u>
Total costs	\$ 1,043,452	\$ 3,918,970	\$ 139,210	\$ 5,101,632

ABEN RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
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JUNE 30, 2017

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

September 30, 2016	Forest Kerr Claims	Yukon Claims	Saskatchewan/ Chico Claims	Total
Acquisition costs:				
Balance, beginning of period	\$ -	\$ 700,000	\$ -	\$ 700,000
Additions	<u>675,513</u>	<u>-</u>	<u>7,088</u>	<u>682,601</u>
Balance, end of period	<u>675,513</u>	<u>700,000</u>	<u>7,088</u>	<u>1,382,601</u>
Exploration costs:				
Incurred during the year:				
Accommodation/food/groceries	10,811	-	-	10,811
Consulting/subcontractors	45,341	21,861	-	67,202
Dues/fees/permits	-	658	-	658
Equipment rental	770	-	-	770
Field assistants	12,800	-	-	12,800
Fuel/mileage/maintenance	3,724	692	-	4,416
Geophysics survey	-	-	-	-
GIS/logistics/specialists	-	-	-	-
Maps/reports	440	-	-	440
Office/miscellaneous	-	82	-	82
Staking/linecutting	2,175	-	-	2,175
Supplies	1,233	-	-	1,233
Tenure manager	-	-	-	-
Transportation/shipping	-	392	-	392
Travel	<u>14,368</u>	<u>9,950</u>	<u>-</u>	<u>24,318</u>
	91,662	33,635	-	125,297
Balance, beginning of period	-	3,183,716	34,080	3,217,796
Sale of exploration and evaluation asset	<u>-</u>	<u>-</u>	<u>(34,080)</u>	<u>(34,080)</u>
Balance, end of period	<u>91,662</u>	<u>3,217,351</u>	<u>-</u>	<u>3,309,013</u>
Total costs	\$ 767,175	\$ 3,917,351	\$ 7,088	\$ 4,691,614

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

Yukon Territory Claims

Justin Project, Yukon Territory

The Company acquired a 100% interest in the Justin project located in the Watson Lake District, in east-central Yukon Territory. As consideration, the Company issued 350,000 shares valued at \$700,000. Exploration costs incurred to June 30, 2017 totalled \$3,218,970. The Company received \$34,911 in cost recoveries to date. The optionor has a 3% NSR of which the Company has the right to purchase a 2% NSR at any time prior to commencement of commercial production for \$2,000,000.

VF Gold Project, Yukon Territory

During fiscal 2012, the Company entered into an option agreement to earn a 100% interest in mineral claims (known as the VF Gold Project) located in the Upper Hyland River Gold Belt of the Watson Lake Mining District, Yukon Territory by making cash payments in the sum of \$150,000 and issuing 16,667 common shares over four years. The Company paid \$30,000 in cash and issued 1,667 common shares valued at \$10,000 in fiscal 2013. The Company is also required to incur \$100,000 of exploration expenditures in the first year. The optionor has a 2% NSR on the property. The Company has the right to purchase one-half (1%) of the NSR for \$1,500,000.

The Company entered into a first amending agreement on August 6, 2013. In lieu of the remaining commitment of \$120,000 in cash and 15,000 in share issuances, the Company issued 28,333 shares valued at \$17,000, to acquire a 100% interest in the property. As at September 30, 2015, the Company paid \$30,000, issued 30,000 shares valued at \$27,000 and incurred exploration costs totalling \$14,505.

Due to a delay in the development of the property, the Company has written down the investment to \$Nil, although the claims remain in good standing.

Saskatchewan, Canada Claims

Mann Lake Property, Saskatchewan, Canada

The Company held a 40% interest in one claim block located in the eastern central part of the Athabasca Basin in northern Saskatchewan. During fiscal 2016, the Company sold its 40% interest to Skyharbour Resources Ltd. ("Skyharbour"), a company related by common directors. In consideration, the Company received 250,000 common shares of Skyharbour valued at \$30,000 resulting in a loss on disposal of \$4,080. The Company retains a 2.5% NSR in the Mann Lake property with Skyharbour having the right to purchase 1.5% of the NSR for \$1,500,000.

Chico Claims, Saskatchewan

During fiscal 2017, the Company executed a formal option agreement with Eagle Plains Resources Ltd., whereby the Company has the exclusive right to earn an undivided 80-per-cent interest in the Chico gold project, located 125 kilometres east of La Ronge, Sask., and 40 kilometres south of Silver Standard Resources' Seabee/Santoy mine complex. The Company may earn an initial 60-per-cent interest by incurring \$1.5-million in exploration expenditures. Upon earning this 60 per cent interest in the Chico gold project, the Company may elect to exercise

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

a second option to earn a further 20-per-cent interest by incurring an additional \$2-million in exploration expenditures, issuing one million common shares and making \$50,000 cash payments within two years of the date of election. The Company and Eagle Plains Resources Ltd. have two directors in common.

Forest Kerr Project, British Columbia

During fiscal 2016, the Company entered into individual option agreements with third parties to acquire a 100% interest properties located in the Forrest Kerr Project area, west-central British Columbia. The Forest Kerr Project includes the Forgold Claims, RDN Claims and Forrest Claims disclosed below. Pursuant to the option agreements, the Company is required to incur a minimum of \$3,000,000 in exploration expenditures on or before June 30, 2020 on the claims included in the Forest Kerr Project, of which no less than \$1,000,000 is to be expended directly on the RDN claims and \$500,000 expended in stages directly on the Forrest claims.

The Company also acquired additional claims directly by staking for a total of 24,000 hectares when combined with the claims under option within the project area.

Forgold Claims

The Company entered into an option agreement to acquire a 100% interest in a total of twenty-five mineral claims, known as the Forgold Claims covering 6,202.51 hectares. As consideration, the Company issued 1,000,000 common shares to the Optionor with a value of \$175,000. The property is subject to a 2% NSR with a buy-back option of 1% for the sum of \$1,000,000.

RDN Claims

The Company entered into an option agreement to acquire a 100% interest in a total of fourteen mineral claims, known as the RDN Property, covering 8,576.42 hectares. As consideration, the Company issued 1,500,000 common shares to the Optionor with a value of \$262,500. In order to complete the acquisition, the Company is required to issue an additional 1,500,000 common shares by June 30, 2017, and a final 1,000,000 common shares by June 30, 2018. The property is subject to a 1.33% NSR.

Forrest Claims

The Company entered into an option agreement to acquire a 100% interest in a total of 7 mineral claims known as the Forrest Kerr claims covering a combined 2,251.21 hectares. As consideration, the Company issued 1,240,000 common shares to the Optionor with a value of \$217,000. In order to compete the acquisition, the Company is required to issue an additional 500,000 common shares by June 30, 2017, and an additional 500,000 common shares by June 30, 2018. The property is subject to a 3% NSR with a buy-back option of up to 2% for the sum of \$2,500,000.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	June 30, 2017	September 30, 2016
Trade payables	\$ 13,685	\$ 73,321
Accrued liabilities	<u>2,000</u>	<u>22,000</u>
Total	\$ 15,685	\$ 95,321

All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

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9. CAPITAL STOCK AND RESERVES

Authorized

The authorized capital stock of the Company consists of an unlimited number of common shares without par value.

Share Consolidation

On August 13, 2015, the Company's share capital was consolidated on the basis of one (1) new share for each six (6) old shares. All common share, warrant, option and per share amounts have been retroactively adjusted.

Private placements

During fiscal 2017, the Company participated in the following private placements:

In November 2016, the Company closed a non-brokered private placement financing and has raised a total of \$700,000 by the issuance of 9,333,333 units at a price of \$0.075 per unit. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 cents per share for a period of two years.

During fiscal 2016, the Company participated in the following private placements:

In June 2016, the Company closed a non-brokered private placement financing and has raised a total of \$325,000 by the issuance of 6,500,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of 10.0 cents per share for a period of one year.

In December 2015, the Company closed a non-brokered private placement financing and has raised a total of \$179,250 by the issuance of 3,585,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of 5.5 cents per share for a period of five years expiring December 21, 2020.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, September 30, 2015	2,288,000	\$ 0.45	296,896	\$ 0.480
Additions	10,255,800	0.084	980,000	0.070
Exercised	(2,239,000)	0.055	(95,000)	0.070
Expired/Cancelled	<u>(2,288,000)</u>	0.45	<u>-</u>	-
Outstanding, September 30, 2016	8,016,800	\$ 0.092	1,181,896	\$ 0.173
Additions	9,542,866	0.10	1,525,000	0.100
Exercised	(4,198,000)	0.10	<u>-</u>	-
Expired/Cancelled	<u>(2,323,800)</u>			
Outstanding, June 30, 2017	11,037,866	.095	2,706,896	0.165
Currently exercisable	16,982,666	\$ 0.092	2,706,896	\$ 0.165

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9. CAPITAL STOCK AND RESERVES (cont'd...)

The following incentive stock options and share purchase warrants were outstanding at June 30, 2017:

	Number of Shares	Exercise Price	Expiry Date
Stock options:	296,896	\$ 0.480	April 21, 2019
	885,000	0.070	May 30, 2021
	1,525,000	0.100	January 5, 2022

	Number of Shares	Exercise Price	Expiry Date
Warrants:	9,542,866	\$ 0.100	November 2, 2018
	1,495,000	0.055	December 21, 2020

Share-based payments

During the year ended September 30, 2017, the Company granted 1,525,000 (2016 – 980,000) stock options to directors, officers, employees and consultants resulting in share-based compensation expense using the Black-Scholes option-pricing model of \$148,775 (2016 - \$Nil). This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during the current year was \$0.10 (2016 - \$Nil) per option.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year:

	2017	2016
Risk-free interest rate	0.81%	0.79%
Expected life	5	5
Annualized volatility	127%	135%
Estimated forfeiture rate	--	--
Dividend rate	--	--

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10. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate amount of expenditures paid or payable to key management personnel (directors, former directors or companies with common directors) was as follows:

	June 30, 2017	June 30, 2016
Consulting fees	\$ 93,750	\$ 12,000
Share based compensation	<u>75,609</u>	<u>-</u>
	<u>\$ 169,359</u>	<u>\$ 12,000</u>

The Company incurred the following amounts to the vendor for exploration expenditures and option payments:

	June 30, 2017	September 30, 2016
Hit Project, Yukon Territory	\$ -	\$ -
Justin Project, Yukon Territory	442	33,635
Chico Property, Saskatchewan	<u>67,487</u>	<u>-</u>
	<u>\$ 43,024</u>	<u>\$ 33,635</u>

Administrative agreement

The Company operates from the premises of a private company that provides office and administrative services to the Company and various other public companies on a short-term contract basis. The private company incurs costs which are reimbursed by the Company and is charged an administration fee of \$Nil (June 30, 2016 - \$12,874) representing 15% of the costs incurred.

As of July 1, 2016, the Company reimburses costs to a private company related to a director.

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11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	June 30, 2017	September 30, 2016
Cash paid during the year for interest	\$ -	\$ 1,328
Cash paid during the year for income taxes	\$ -	\$ -

Significant non-cash transactions during the year ended September 30, 2017 were as follows:

- a) The Company issued 250,000 shares valued at \$0.08 per share for the acquisition of certain exploration and evaluation assets.

Significant non-cash transactions during the year ended September 30, 2016 were as follows:

- a) The Company issued 3,740,000 shares valued at \$0.175 per share for the acquisition of certain exploration and evaluation assets.
- b) Issued 170,800 warrants valued at \$9,013 as finders fees with respect to private placements.
- c) Incurring exploration and evaluation asset expenditures of \$64,354 through accounts payable and accrued liabilities.
- d) Received 250,000 shares of Skyharbour Resources Ltd. Valued at \$30,000 for the sale of the Company's 40% interest in the Mann Lake property (Note 7).

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash and equivalents are carried at fair value using a Level 1 fair value measurement. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash equivalents and receivables. Management believes that the credit risk concentration with respect to financial instruments included in cash, cash equivalents and receivables is remote because these instruments are due primarily from government agencies.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial risk factors (cont'd...)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at June 30, 2017, the Company had a cash and equivalents balance of \$1,499,042 (September 30, 2016 - \$49,608) to settle current liabilities of \$15,685 (September 30, 2016 - \$95,321). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in short-term treasury bills issued by the Government of Canada and its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has cash and interest-bearing deposits with banks of \$1,499,042 (September 30, 2016 - \$49,608).

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. However, management believes the risk is not currently significant as less than 0.1% of the Company's assets and none of its liabilities as at June 30, 2017 are denominated in United States Dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

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13. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

14. INCOME TAXES

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

	2016	2015
Loss before taxes	\$ (401,579)	\$ (472,610)
Expected income tax recovery at statutory tax rates	\$ (104,000)	\$ (123,000)
Impact of future income tax rate applied versus current statutory rate	179,000)	(2,000)
Change in unrecognized deductible temporary difference	(84,000)	122,000
Share issue costs	(3,000)	1,000
Non-deductible expenditures and other	12,000	2,000
Total deferred tax (recovery) expense	\$ -	\$ -

The Company has the following deferred tax assets for which no benefit has been recognized as they may not be used to offset taxable profits elsewhere in the group and they have arisen in companies that have a history of losses.

The significant components of the Company's deferred tax assets are as follows:

	2016	2015
Exploration and evaluation assets	\$ 2,484,000	\$ 2,499,000
Non-capital losses available for future periods	1,732,000	1,798,000
Allowable capital losses	73,000	73,000
Share issue costs	4,000	3,000
Capital assets	3,000	2,000
	4,296,000	4,375,000
Unrecognized deferred tax assets	(4,296,000)	(4,375,000)
Net deferred tax assets	\$ -	\$ -

Tax attributes are subject to review and potential adjustments by tax authorities.

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14. INCOME TAXES (cont'd...)

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statement of financial position are as follows:

	2016	Expiry dates	2015
Exploration and evaluation assets	\$ 8,351,000	No expiry date	\$ 8,361,000
Input tax credits	422,000	2031 to 2033	422,000
Non-capital losses available for future periods	6,662,000	2026 to 2036	6,437,000
Allowable capital losses	279,000	No expiry date	279,000
Share issue costs	16,000	2017 to 2020	68,000
Capital assets	<u>11,000</u>	No expiry date	<u>5,000</u>
	<u>\$ 15,741,000</u>		<u>\$ 15,572,000</u>

15. SUBSEQUENT EVENTS

Subsequent to June 30, 2017, the Company:

- i) The company has issued 5,865,500 units at a price of 10 cents per unit for gross proceeds of \$586,500. Each unit consists of one share and one share purchase warrant entitling the holder to purchase an additional common share at a price of 15 cents for a period of 3.5 years expiring Dec. 29, 2020. The Company also issued 6,540,000 flow-through units at a price of 12.5 cents per flow-through unit for gross proceeds of \$812,500. Each flow-through unit consists of one flow-through share and one share purchase warrant entitling the holder to purchase an additional non-flow-through share at a price of 15 cents for a period of 3.5 years expiring Dec. 29, 2020.

- ii) In August 2017, the Company closed a financing of 2,356,443 units at a price of 13.5 cents per unit for combined total gross proceeds of \$318,119. Each unit purchased will include one common share as well as one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share for five years at a price of 18 cent per common share.