

# **SILVER VIPER MINERALS CORP.**

## **Condensed Consolidated Interim Financial Statements** **(Expressed in Canadian Dollars - Unaudited)**

**September 30, 2017**

### **Notice to Reader**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

STATEMENTS OF FINANCIAL POSITION  
As at  
(Expressed in Canadian Dollars - Unaudited)

|                                                   | September 30,<br>2017 | December 31,<br>2016 |
|---------------------------------------------------|-----------------------|----------------------|
| <b>ASSETS</b>                                     |                       |                      |
| <b>Current</b>                                    |                       |                      |
| Cash                                              | \$ 4,939,583          | \$ 2,397,766         |
| Receivables                                       | 14,863                | 1,974                |
| Prepays                                           | <u>79,939</u>         | <u>-</u>             |
|                                                   | 5,034,385             | 2,399,740            |
| <b>Equipment</b> (Note 4)                         | 4,046                 | -                    |
| <b>Exploration and evaluation assets</b> (Note 5) | <u>211,500</u>        | <u>211,500</u>       |
|                                                   | <u>\$ 5,249,931</u>   | <u>\$ 2,611,240</u>  |

**LIABILITIES**

**Current**

|                                          |                  |                 |
|------------------------------------------|------------------|-----------------|
| Accounts payable and accrued liabilities | <u>\$ 62,406</u> | <u>\$ 1,139</u> |
|------------------------------------------|------------------|-----------------|

**Shareholders' equity**

|                        |                     |                     |
|------------------------|---------------------|---------------------|
| Share capital (Note 6) | 5,482,089           | 2,631,901           |
| Deficit                | <u>(294,564)</u>    | <u>(21,800)</u>     |
|                        | <u>5,187,524</u>    | <u>2,610,101</u>    |
|                        | <u>\$ 5,249,931</u> | <u>\$ 2,611,240</u> |

**Nature and continuance of operations** (Note 1)

**Events after the reporting period** (Note 11)

**Approved and authorized on behalf of the board:**

|                       |          |                        |          |
|-----------------------|----------|------------------------|----------|
| <u>/s/ Steve Cope</u> | Director | <u>/s/ Ross Wilmot</u> | Director |
| Steve Cope            |          | Ross Wilmot            |          |

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

**SILVER VIPER MINERALS CORP.**  
**INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
Nine Months Ended September 30, 2017  
(Expressed in Canadian Dollars - Unaudited)

|                                                                                 | Three Months<br>Ended<br>September 30,<br>2017 | Period from<br>incorporation<br>on April 26 to<br>September 30,<br>2016 | Nine Months<br>Ended<br>September 30,<br>2017 | Period from<br>incorporation<br>on April 26 to<br>September 30,<br>2016 |
|---------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------|
| <b>EXPLORATION EXPENSES</b>                                                     |                                                |                                                                         |                                               |                                                                         |
| General exploration                                                             | \$ 10,147                                      | \$ 6,515                                                                | \$ 63,067                                     | \$ 6,515                                                                |
| Geological                                                                      | <u>85,413</u>                                  | <u>-</u>                                                                | <u>85,413</u>                                 | <u>-</u>                                                                |
|                                                                                 | <u>95,560</u>                                  | <u>6,515</u>                                                            | <u>148,480</u>                                | <u>6,515</u>                                                            |
| <b>GENERAL EXPENSES</b>                                                         |                                                |                                                                         |                                               |                                                                         |
| Filing fees                                                                     | 9,736                                          | -                                                                       | 53,347                                        | -                                                                       |
| Foreign exchange                                                                | 2,447                                          | (4,803)                                                                 | 6,259                                         | (4,803)                                                                 |
| Investor relations                                                              | 1,036                                          | -                                                                       | 1,221                                         | -                                                                       |
| Office and administrative                                                       | 6,558                                          | 95                                                                      | 25,443                                        | 95                                                                      |
| Professional fees                                                               | <u>11,815</u>                                  | <u>8,968</u>                                                            | <u>44,195</u>                                 | <u>8,968</u>                                                            |
|                                                                                 | <u>31,592</u>                                  | <u>4,260</u>                                                            | <u>130,465</u>                                | <u>4,260</u>                                                            |
|                                                                                 | <u>(127,152)</u>                               | <u>(10,775)</u>                                                         | <u>(278,945)</u>                              | <u>(10,775)</u>                                                         |
| Interest income                                                                 | <u>-</u>                                       | <u>-</u>                                                                | <u>6,181</u>                                  | <u>-</u>                                                                |
| <b>Loss and comprehensive loss for the period</b>                               | <u>\$ (127,152)</u>                            | <u>\$ (10,775)</u>                                                      | <u>\$ (272,764)</u>                           | <u>\$ (10,775)</u>                                                      |
| <b>Basic and diluted loss per common share</b>                                  | <u>\$ (0.00)</u>                               | <u>\$ (0.00)</u>                                                        | <u>\$ (0.01)</u>                              | <u>\$ (0.00)</u>                                                        |
| <b>Weighted average number of common shares outstanding – basic and diluted</b> | <u>42,710,301</u>                              | <u>10,000,001</u>                                                       | <u>34,580,219</u>                             | <u>10,000,001</u>                                                       |

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

**SILVER VIPER MINERALS CORP.****STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the period from incorporation on April 26, 2016 to September 30, 2016 and the nine month period ended September 30, 2017

(Expressed in Canadian Dollars- Unaudited)

|                                                     | <b>Common<br/>Shares</b> | <b>Share Capital</b> | <b>Deficit</b> | <b>Total<br/>Shareholders'<br/>Equity</b> |
|-----------------------------------------------------|--------------------------|----------------------|----------------|-------------------------------------------|
| <b>Balance, April 26, 2016 (Note 1)</b>             | -                        | \$ -                 | \$ -           | \$ -                                      |
| Issuance of incorporation share                     | 1                        | 1                    | -              | 1                                         |
| Private placements                                  | 29,447,800               | 2,530,975            | -              | 2,530,975                                 |
| Share issuance costs                                | -                        | (24,075)             | -              | (24,075)                                  |
| Loss and comprehensive loss                         | -                        | -                    | (10,775)       | (10,775)                                  |
| <b>Balance, September 30, 2016</b>                  | 29,447,801               | 2,506,901            | (10,775)       | 2,496,126                                 |
| Shares issued for exploration and evaluation assets | 1,000,000                | 125,000              | -              | 125,000                                   |
| Loss and comprehensive loss                         | -                        | -                    | (11,025)       | (11,025)                                  |
| <b>Balance, December 31, 2016</b>                   | 30,447,801               | 2,631,901            | (21,800)       | 2,610,101                                 |
| Private placements                                  | 12,262,500               | 3,065,625            | -              | 3,065,625                                 |
| Share issuance costs                                | -                        | (215,437)            | -              | (215,438)                                 |
| Loss and comprehensive loss                         | -                        | -                    | (272,764)      | (272,764)                                 |
| <b>Balance, September 30, 2017</b>                  | 42,710,301               | \$ 5,482,089         | \$ (294,564)   | \$ 5,187,524                              |

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

**SILVER VIPER MINERALS CORP.**  
**INTERIM STATEMENTS OF CASH FLOWS**  
 Nine Months Ended September 30, 2017  
 (Expressed in Canadian Dollars - Unaudited)

|                                                                    | Nine Months Ended<br>September 30, 2017 | Period from<br>incorporation<br>on April 26 to<br>September 30 2016 |
|--------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |                                         |                                                                     |
| Loss for the period                                                | \$ (272,764)                            | \$ (10,775)                                                         |
| Changes in non-cash working capital items:                         |                                         |                                                                     |
| Increase in prepaids                                               | (79,939)                                | -                                                                   |
| Increase in payables                                               | 61,267                                  | 6,730                                                               |
| Increase in receivables                                            | <u>(12,889)</u>                         | <u>(1,590)</u>                                                      |
| Cash used in operating activities                                  | <u>(304,325)</u>                        | <u>(5,635)</u>                                                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |                                         |                                                                     |
| Acquisition of equipment                                           | (4,046)                                 | -                                                                   |
| Acquisition of exploration and evaluation assets                   | <u>-</u>                                | <u>(15,000)</u>                                                     |
| Cash used in investing activities                                  | <u>(4,046)</u>                          | <u>(15,000)</u>                                                     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |                                         |                                                                     |
| Net proceeds from issuance of shares                               | 2,850,188                               | 2,506,901                                                           |
|                                                                    | <u>-</u>                                | <u>-</u>                                                            |
| Cash provided by financing activities                              | <u>2,850,188</u>                        | <u>2,506,901</u>                                                    |
| <b>Increase (decrease) in cash during the period</b>               | <b>2,541,817</b>                        | <b>2,486,266</b>                                                    |
| <b>Cash, beginning of period</b>                                   | <b><u>2,397,766</u></b>                 | <b><u>-</u></b>                                                     |
| <b>Cash, end of period</b>                                         | <b>\$ 4,939,583</b>                     | <b>\$ 2,486,266</b>                                                 |
| <b>Supplemental disclosure with respect to cash flows (Note 8)</b> |                                         |                                                                     |

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

**SILVER VIPER MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
(Expressed in Canadian Dollars - Unaudited)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Silver Viper Minerals Corp. (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on April 26, 2016. The Company completed an Initial Public Offering on September 27, 2017. The Company’s principal business activities include the acquisition and exploration of mineral properties in Mexico.

The head office of the Company is located at Suite 1130 - 1055 West Hastings Street, Vancouver, BC, Canada, V6C 2E9. The registered address and records office of the Company is located at Suite 704, 595 Howe Street, Vancouver, BC, Canada V6C 2T5.

These financial statements were authorized for issue by the Company’s Board of Directors on November 28, 2017.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has been successful in raising funds from incorporation to date, but will require additional funding for continued exploration and working capital purposes in future periods. However, management believes that the Company’s current working capital is sufficient to fund activities for the ensuing twelve months.

On April 25, 2017, the Company filed its final prospectus relating to its initial public offering of a minimum of 24,000,000 common shares and a maximum of 40,000,000 common shares (46,000,000 with the over-allotment option) at a price of \$0.25 per share (the “Offering”). The Company will pay the Agent a commission equal to 6% of the gross funds raised from the Offering and a corporate finance fee of \$100,000 upon closing the Offering. The Company will reimburse the Agent for its legal fees and expenses incurred in connection with the Offering.

On July 21, 2017, the Company filed an amended and restated final prospectus, amending the Offering to a minimum of 12,000,000 common shares and a maximum of 40,000,000 common shares (46,000,000 with the over-allotment option) at a price of \$0.25 per share. The Corporate finance fee was reduced to \$75,000. All other terms of the offering remain unchanged.

On September 29, 2017, the Company completed its initial public offering of 12,262,500 common shares of the Company at \$0.25 per share for gross proceeds of \$3,065,625 and received approval of its application to list its common shares on the TSX Venture Exchange. The Company paid \$215,437 in share issuance costs.

**2. BASIS OF PREPARATION**

These condensed consolidated interim financial statements (the “financial statements”), including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the period from incorporation on April 26, 2016 to December 31, 2016.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**2. BASIS OF PREPARATION (cont'd...)**

**Critical Accounting Estimates**

The preparation of these financial statements in accordance with IFRS 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:

- a) 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.
- b) The fair value determination of common shares issued. The Company estimates the fair value of shares issued pursuant to exploration and evaluation asset option agreements with reference to private placements with arm's length parties, until such time that an active market is established for the Company's shares.

**Foreign exchange**

The functional currency is the currency of the primary economic environment in which the Company operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the results of operations.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Principles of consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries (Note 9). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany balances and transactions have been eliminated upon consolidation.

**Exploration and evaluation assets**

The Company is currently in the exploration stage with its mineral property interest. Exploration and evaluation costs will include the costs of acquiring concessions, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of mineral properties acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area will be recognized in the statement of loss and comprehensive loss.

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

**Exploration and evaluation assets (cont'd...)**

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale.

**Equipment**

Equipment is recorded at cost and depreciated over its estimated useful life using the declining balance method at a rate of 25% per annum. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use. When parts of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The cost of major overhauls of parts of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

**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 ("FVLCS") and value in use ("VIU"). FVLCS 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 VIU, 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 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 exploration and evaluation assets 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 the related 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 the related assets.

**SILVER VIPER MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
(Expressed in Canadian Dollars - Unaudited)

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**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 the related 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 or loss for the period.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

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. The Company has classified its cash at fair value through profit or 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.

*Available-for-sale* – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the results of operations.

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.

**SILVER VIPER MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
(Expressed in Canadian Dollars - Unaudited)

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

**Financial instruments**

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability 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 results of operations.

*Other financial liabilities:* This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost.

**Share-based payments**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants.

The fair value of stock options granted to directors, officers, employees and consultants is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period as expense, with a corresponding increase in reserves. Consideration paid for the shares on the exercise of stock options is credited to share capital.

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 the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of goods or services received.

**Earnings (loss) per share**

Basic earnings (loss) per share ("EPS") is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive instruments are used to repurchase common shares at the average market price during the period. In periods where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**SILVER VIPER MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**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 shareholders' 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 periods.

Deferred tax is recorded by 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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Segment reporting**

The Company operates in a single reportable operating segment – the acquisition, exploration and evaluation of mineral properties in Mexico.

**New standards not yet adopted**

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:

*IFRS 9 Financial Instruments ("IFRS 9")*

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IFRS 9 has a tentative effective date of January 1, 2018 with early adoption permitted.

**SILVER VIPER MINERALS CORP.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

(Expressed in Canadian Dollars - Unaudited)

**4. EQUIPMENT**

|                                   | Field equipment |
|-----------------------------------|-----------------|
| <b>Cost</b>                       |                 |
| Balance, as at December 31, 2016  | \$ -            |
| Acquisition costs                 | 4,046           |
| Disposals                         | -               |
| Balance, as at September 30, 2017 | \$ 4,046        |
| <b>Accumulated depreciation</b>   |                 |
| Balance, as at April 30, 2017     | \$ -            |
| Additions                         | -               |
| Disposals                         | -               |
| Balance, as at September 30, 2017 | \$ -            |
| <b>Net book value</b>             |                 |
| Balance, as at December 31, 2017  | \$ -            |
| Balance, as at September 30, 2017 | \$ 4,046        |

**5. EXPLORATION AND EVALUATION ASSETS**

On August 23, 2016, the Company signed a letter of intent (“LOI”) with Riverside Resources Inc. (“Riverside”) which has been superseded by a definitive agreement (the “Agreement”) on September 30, 2016 and as amended on December 2, 2016 (“Execution date”), with respect to Riverside’s Clemente project (the “Property”) in Sonora, Mexico. The Company has the right to earn 100% undivided interest in the Property subject to regulatory approval. Commitments under the Agreement are as follows:

| Time/Date                         | Cash              | Common Shares      | Annual Work         |
|-----------------------------------|-------------------|--------------------|---------------------|
| LOI                               | \$ 15,000 (paid)  | -                  | \$ -                |
| Execution date of Agreement       | 25,000 (paid)     | 1,000,000 (issued) | -                   |
| Execution date Year 1 anniversary | 50,000            | -                  | 350,000             |
| Execution date Year 2 anniversary | 75,000            | -                  | 500,000             |
| Execution date Year 3 anniversary | 100,000           | -                  | 750,000             |
| Execution date Year 4 anniversary | 150,000           | 250,000            | 1,000,000           |
| Execution date Year 5 anniversary | 335,000           | 750,000            | 1,400,000           |
| <b>Total</b>                      | <b>\$ 750,000</b> | <b>2,000,000</b>   | <b>\$ 4,000,000</b> |

On execution of the Agreement, the Company also made a one-time payment of \$46,500 for concession taxes owing on the Property. This amount has been capitalized as part of the Company’s acquisition costs relating to the Property, but will be credited against the annual work requirement stipulated in the Agreement.

The Agreement also stipulates a requirement for the Company to complete minimum drilling on the Property of 2,500 meters by the Year 2 anniversary of the Execution date. Further, Riverside will retain a 2.0% net smelter return (“NSR”) royalty, 100% of which can be purchased by the Company for \$4,000,000 at any time before the Year 5 anniversary of the Execution date or \$3,000,000 after the Year 5 anniversary but before the Year 8 anniversary of the Execution date.

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**6. SHARE CAPITAL AND RESERVES**

**Authorized**

Unlimited number of common shares without par value  
Unlimited number of preferred shares without par value

**Issued**

On April 26, 2016, the Company issued 1 common share for \$1.00 on incorporation.

On June 13, 2016, the Company completed a private placement for a total of 10,000,000 common shares at a price of \$0.01 per share, for total proceeds of \$100,000. These common shares are subject to escrow restriction upon completion of the Initial Public Offering, which will be released from escrow in tranches over a period of 36 months from the Company's listing on the TSX Venture Exchange.

On September 9, 2016, the Company completed a private placement for a total of 17,072,800 common shares at a price of \$0.125 per share, for total proceeds of \$2,134,100.

On September 30, 2016, the Company completed a private placement for a total of 2,375,000 common shares at a price of \$0.125 per share, for total proceeds of \$296,875.

The Company recognized share issue costs totalling \$24,075 in connection with the private placements completed.

On December 1, 2016, the Company issued 1,000,000 shares at a fair value of \$125,000 (\$0.125 per share) in connection with the Agreement (Note 4).

On September 27, 2017, the Company completed an IPO and issued a total of 12,262,500 common shares at a price of \$0.25 per share, for total proceeds of \$3,065,625.

The Company recognized share issue costs totalling \$215,437 in connection with the IPO completed.

**Stock options**

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the board of directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are granted with a term of up to ten years and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of twelve months with no more than one-quarter of the options vesting in any three-month period.

There were no stock options granted during the period from the date of incorporation on April 26, 2016 to December 31, 2016 and during the nine month period ended September 30, 2017.

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**7. CAPITAL MANAGEMENT**

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company may invest its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company management has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions.

**8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

During the nine months ended September 30, 2017 and 2016, there were no significant non-cash transactions.

**9. RELATED PARTY TRANSACTIONS**

The financial statements include the financial statements of Silver Viper Minerals Corp. and its subsidiaries listed in the following table:

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| Name of Subsidiary              | Country of Incorporation | Proportion of Ownership Interest | Principal Activity  |
|---------------------------------|--------------------------|----------------------------------|---------------------|
| SV Plata Servicios S.A. de C.V. | Mexico                   | 100%                             | Mineral exploration |
| SV Minerales S.A. de C.V.       | Mexico                   | 100%                             | Mineral exploration |

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There was no compensation paid or payable to key management personnel for services rendered during the nine month periods ended September 30, 2017 and 2016.

**10. FINANCIAL AND CAPITAL RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Fair value of financial instruments**

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities approximates its fair values due to the short-term maturity of the financial instruments.

**10. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)**

**Concentrations of business risk**

The Company maintains its cash with a major Canadian financial institution. Deposits held with this institution may exceed the amount of insurance provided on such deposits.

**Credit risk**

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because its receivables are primarily comprised of goods and services tax (GST), which are recoverable from the governing body in Canada.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

**Foreign exchange risk**

The Company is not subject to significant foreign exchange risk.

**Interest rate risk**

The Company limits its exposure to interest rate risk by holding cash deposits at major Canadian financial institutions and accordingly is not subject to significant interest rate risk.

**Price risk**

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent periods. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

**11. EVENTS AFTER THE REPORTING PERIOD**

None