

**ALORO MINING CORP.
(FORMERLY WOLVERINE MINERALS CORP.)
(AN EXPLORATION STAGE COMPANY)**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2018

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited consolidated interim financial statements for Aloro Mining Corp. (formerly Wolverine Minerals Corp.) (the “Company”) have been prepared by management in accordance with International Financing Reporting Standards (“IFRS”). These unaudited condensed financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company’s auditors. The Company’s Audit Committee and Board of Directors have reviewed and approved these consolidated interim financial statements. In accordance with the disclosure requirements of National Instrument 51-102 released by the Canadian Securities Administrators, the Company’s independent auditors have not performed a review of these consolidated interim financial statements.

ALORO MINING CORP.
(FORMERLY WOLVERINE MINERALS CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(Expressed in Canadian Dollars)

	June 30, 2018	December 31, 2017 (audited)
ASSETS		
CURRENT		
Cash	\$ 162,434	\$ 369,017
Other receivables	14,062	13,968
	176,496	382,985
NON-CURRENT		
Property and equipment, net	3,842	5,768
Exploration and evaluation assets (Note 5)	366,560	227,514
	370,402	233,282
TOTAL ASSETS	\$ 546,898	\$ 616,267
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 392,612	\$ 302,111
TOTAL LIABILITIES	392,612	302,111
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	15,912,013	15,877,013
Reserves (Note 7)	2,048,896	2,014,637
Accumulated deficit	(17,806,623)	(17,577,494)
TOTAL SHAREHOLDERS' EQUITY	154,286	314,156
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 546,898	\$ 616,267

Approved on behalf of the Board:

<u>"Thomas Doyle"</u>	<u>"Logan Anderson"</u>
Thomas Doyle	Logan Anderson
Director	Director

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

ALORO MINING CORP.
(FORMERLY WOLVERINE MINERALS CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
OPERATING EXPENSES				
Office and general	\$ 28,005	10,026	69,464	53,236
Professional fees	11,885	1,041	27,788	27,774
Management and director fees	71,759	51,000	136,259	99,000
LOSS BEFORE OTHER ITEMS	111,649	62,067	233,511	180,010
Foreign exchange gain	74	-	(4,382)	-
COMPREHENSIVE LOSS	\$ 111,723	62,067	229,129	180,010
LOSS PER SHARE – BASIC	\$ (0.00)	(0.00)	(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	38,060,629	31,130,630	37,979,518	31,130,630

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ALORO MINING CORP.**(FORMERLY WOLVERINE MINERALS CORP.)**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

(Expressed in Canadian Dollars)

	<u>Share Capital</u>			<u>Accumulated</u>	
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance at January 1, 2017	29,380,630	15,216,513	2,014,637	(17,184,361)	46,789
Share issuance for cash (Note 7)	1,500,000	105,000	-	-	105,000
Shares issued for property (Note 5)	250,000	22,500	-	-	22,500
Net loss for the period	-	-	-	(180,010)	(180,010)
Balance at June 30, 2017	31,130,630	15,344,013	2,014,637	(17,364,371)	(5,721)
Balance at January 1, 2018	37,710,630	\$ 15,877,013	\$ 2,014,637	\$ 17,577,494	\$ 314,156
Shares issued for property (Notes 5 and 7)	250,000	25,000	-	-	25,000
Shares issuance for cash (Note 7)	100,000	10,000	-	-	10,000
Share based payments	-	-	34,259	-	34,259
Net loss for the period	-	-	-	(229,129)	(229,129)
Balance at June 30, 2018	38,060,630	\$ 15,912,013	\$ 2,048,896	\$ (17,806,623)	\$ 154,286

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ALORO MINING CORP.
(FORMERLY WOLVERINE MINERALS CORP.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
(Expressed in Canadian Dollars)

For the six months ended June 30,	2018	2017
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net loss for the year	\$ (229,129)	\$ (180,010)
Items not involving cash:		
Depreciation	1,926	3,708
Share based payments	34,259	-
Change in non-cash working capital items:		
Other receivables	(94)	9,598
Accounts payable and accrued liabilities	90,501	75,700
Net cash used in operating activities	(102,537)	(91,004)
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(114,046)	(21,441)
Net cash used in investing activities	(114,046)	(21,441)
FINANCING ACTIVITIES		
Proceeds from share issuance	10,000	105,000
Net cash provided by financing activities	10,000	105,000
CHANGE IN CASH	(206,583)	(7,445)
CASH, BEGINNING	369,017	167,467
CASH, END	\$ 162,434	\$ 160,022
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Shares issued for exploration and evaluation assets	\$ 25,000	22,500
Shares issued for settlement of debt	\$ -	-

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ALORO MINING CORP.
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

NOTE 1 NATURE OF OPERATIONS

Aloro Mining Corp. (the “Company”) was incorporated on June 7, 2004 in British Columbia, and its business is the acquisition, exploration and development of its mineral interest in Mexico. On February 8, 2018, The Company changed its name from Wolverine Minerals Corp. to Aloro Mining Corp. The Company is listed on the TSX Venture Exchange (the “TSX-V”).

The address of the Company’s corporate office and principal place of business is Suite 1085, Bentall Two, 555 Burrard Street, Vancouver, British Columbia, Canada V7X 1M8.

NOTE 2 BASIS OF PREPARATION AND GOING CONCERN

a) Statement of Compliance

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

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 29, 2018.

b) Basis of Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis.

The condensed consolidated interim financial statements are presented in Canadian dollars. The functional currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The Company and its subsidiaries’ functional currency is the Canadian dollar.

c) Basis of consolidation

Each subsidiary is consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

The condensed consolidated interim financial statements include the accounts and results of operations of the Company and its wholly owned subsidiary:

Name of Subsidiary	Principal Activity	Place of Incorporation	Ownership Interest
Exploraciones Aloro S.A. de C.V.	Mineral exploration	Mexico	100%

All intercompany balances and transactions were eliminated on consolidation.

d) Going Concern

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. At June 30, 2018, the Company had not yet achieved profitable operations, and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty which may casts significant doubt about the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company’s ability to raise adequate equity financing for continuing operations. Realization values may be substantially different from carrying values as shown and accordingly these financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these interim consolidated financial statements.

ALORO MINING CORP.
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies are used in the preparation of these condensed consolidated interim financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation of the results for the interim periods presented.

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the most recent audited financial statements.

NOTE 5 EXPLORATION AND EVALUATION ASSETS

	Los Venados	Total
Balance – December 31, 2017	\$ 227,514	\$ 227,514
Balance - June 30, 2018	\$ 366,560	\$ 366,560

Los Venados, Sonora Mexico

The Company entered into an option agreement dated November 28, 2016 (the “Option Agreement”) with Minera Gavilan, S.A. de C.V. (the “Optionor”) and Almadex Minerals Limited (“Almadex”), pursuant to which the Optionor has agreed to grant the Company an option (the “Option”) to acquire up to 100% of the Optionor’s 100% right and title interest in and to an option agreement between the Optionor, Almadex and Compania Minera La Pitahaya, S.A. de C.V. (the “Underlying Optionor”) dated October 6, 2015, whereby the Optionor has the option to acquire a 100% interest in the Los Venados 1 mineral concession (the “Property”) located in Sonora State, Mexico (the “Transaction”);

To exercise its Option, the Company shall:

- i) assume all obligations of Almadex to the Underlying Optionor, with the exception of the issuance of Almadex shares which remains an obligation of Almadex;
- ii) pay CDN\$30,000 (the “Cash Payment”) on execution of the Option Agreement for expenditures on the Property (paid in year ended December 31, 2016);
- iii) issue 250,000 common shares (each, a “Share”) within 10 days of receipt of approval of the TSX-V (issued February 8, 2017) (Note 10); The Company received TSX-V approval on February 10, 2017 (“Approval Date”).
- iv) issue 250,000 Shares on or before the first anniversary of the Approval Date (issued subsequent to December 31, 2017);
- v) issue 500,000 Shares on or before the second anniversary of the Approval Date;
- vi) issue 1,000,000 Shares on or before the third anniversary of the Approval Date; and
- vii) drill a minimum of 1,000 meters by the second anniversary of the Approval Date, as part of the total required project expenditures of a minimum of US\$500,000 (the “Expenditures”), which must be incurred on or before the third anniversary of the Approval Date.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

NOTE 5 EXPLORATION AND EVALUATION ASSETS (Continued)

Upon exercise of the Option, the Company will grant to Almadex a 2.0% net smelter returns royalty (the “NSR Royalty”) with respect to production of all precious metals from the property. The NSR Royalty will be payable following commencement of commercial production on the property. The property is also subject to an underlying 2.0% NSR royalty to the Underlying Optioner which may be purchased by the Company for \$1,000,000.

If the Option is exercised, the Company will also be responsible for making a \$500,000 bonus payment to the Underlying Optioner when a National Instrument 43-101 compliant resource greater than 500,000 ounces of gold has been identified.

NOTE 6 RELATED PARTY TRANSACTIONS

All related party transactions were in the normal course of business and have been measured at the amount of consideration established and agreed to by the related parties, equivalent to fair value. Amounts due to related parties are unsecured, do not bear interest and are due on demand. Related party transactions during the periods ended June 30, 2018 and 2017 not disclosed elsewhere in these financial statements are as follows:

- a) The Company incurred \$48,000 and \$96,000 (June 30, 2017: \$51,000 and \$99,000) in management fees charged by officers of the Company for the three and six month periods, respectively, ended June 30, 2018 and recorded \$17,121 in management fees relating to the issuance of 200,000 stock options (see Note 7)
- b) The Company incurred \$4,500 and \$6,000 (June 30, 2017: \$Nil and \$Nil) for directors fees for the three and six month periods, respectively, ended June 30, 2018 and recorded \$17,138 in directors fees relating to the issuance of 200,000 stock options (see Note 7).
- c) At June 30, 2018, accounts payable and accrued liabilities included \$333,750 (June 30, 2017: \$240,600) due to directors of the Company;

Management and directors fees can be summarized as follows:

For the six months ended June 30,	2018	2017
Share based payments	\$ 34,259	\$ Nil
Management and director fees	102,000	99,000
Total	\$ 136,259	\$ 99,000

NOTE 7 SHARE CAPITAL AND RESERVES

Common Shares

Authorized share capital consists of an unlimited number of common shares without par value.

During the six months ended June 30, 2018:

- 250,000 shares at a deemed price of \$0.10 per share pursuant to an option agreement with Almadex, and
- 100,000 shares through the exercise of warrants at a price of \$0.10.

ALORO MINING CORP.
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

NOTE 7 SHARE CAPITAL AND RESERVES (Continued)

During the six months ended June 30, 2017:

- 250,000 shares at a deemed price of \$0.09 per share for the acquisition of the Los Venados property in Mexico, and
- 1,500,000 units in a non-brokered private placement at a price of \$0.07 per unit for gross proceeds of \$105,000. Each unit consists of one common share of the Company and one share purchase warrant. One warrant entitles the holder to purchase one additional share of the Company at a price of \$0.085 per share for a period of three years.

Share Purchase Warrants

The following table summarizes the changes in warrants outstanding during the periods presented:

	Warrants	Weighted avg. exercise price
Outstanding, January 1, 2017	12,400,000	\$ 0.080
Issued	1,500,000	\$ 0.085
Expired	(1,400,000)	-
Outstanding, June 30, 2017	12,500,000	\$ 0.080
Outstanding, January 1, 2018	17,500,000	\$ 0.080
Exercised	(100,000)	-
Outstanding, June 30, 2018	17,400,000	\$ 0.099
Exercisable, June 30, 2018	17,400,000	\$ 0.099

As at June 30, 2018, the following share purchase warrants were outstanding:

Numbers of warrants	Exercise price	Expiry Date
10,900,000	\$ 0.075/0.10 ⁽¹⁾	August 8, 2018
1,500,000	\$ 0.085	January 31, 2020
5,000,000	\$ 0.10/0.125 ⁽²⁾	December 11, 2019
17,400,000		

⁽¹⁾ Warrant is exercisable at \$0.075 in the first year and \$0.10 in the second year.

⁽²⁾ Warrant is exercisable at \$0.10 in the first year and \$0.125 in the second year.

As at June 30, 2018, the weighted average life of the warrants is 0.62 years.

Stock Options

On November 20, 2006, the Company's Board of Directors approved the adoption of a "rolling" stock incentive plan (the "Plan") in accordance with the policies of the TSX-V. The Board of Directors is authorized to grant options under the Plan to directors, officers, consultants or employees to acquire up to a maximum of 10% of the issued and outstanding common shares at the time an option is granted. The exercise prices of options granted shall not be less than the Discounted Market Price, as defined in Exchange Policy 2.4, and the exercise period shall not exceed 5 years from the date the option is granted. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares outstanding at the time of the grant or 2% if the recipient is a consultant or employed in an investor relations capacity.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six months ended June 30, 2018 and 2017
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NOTE 7 SHARE CAPITAL AND RESERVES (Continued)

Stock options (continued)

A summary of stock option activity for the six months ending June 30, 2018 were as follows:

For the six months ending June 30, 2018

	Number of options	Weighted avg. exercise price
Outstanding, January 1, 2017	65,000	\$ 0.500
Expired	(65,000)	\$ 0.500
Outstanding, June 30, 2017	-	-
Outstanding, January 1, 2018	-	\$ -
Granted	900,000	\$ 0.114
Forfeited	(500,000)	\$ 0.125
Outstanding, June 30, 2018	400,000	\$ 0.100
Exercisable, June 30, 2018	400,000	\$ 0.100

On March 21, 2018, the Company agreed to issue 500,000 stock options, pursuant to a consulting agreement, with each option being exercisable into one common share of the Company, at an exercise price of \$0.125 per share for a period of five (5) years and vesting in three tranches over a period of twelve (12) months. On April 5, 2018, the consulting agreement was terminated, and the 500,000 unvested options were forfeited.

On April 2, 2018, the Company granted 200,000 options to a director of the Company. The options, which vested immediately, may be exercised at a price of \$0.10 per common share for a period of five (5) years from the date of the agreement. The Company recorded \$17,138 in directors' fees in the condensed interim statement of operations pursuant to these options.

On June 13, 2018, the Company granted 200,000 options to an officer of the Company. The options, which vested immediately, may be exercised at a price of \$0.10 per common share for a period of five (5) years from the date of the agreement. The Company recorded \$17,121 in management fees in the condensed interim statement of operations pursuant to these options.

The fair value of each stock option is estimated at the date of grant using the Black-Scholes options pricing model and the following average assumptions:

	June 30, 2018
Risk-free interest rate	1.85%
Expected life	2.5
Exercise price	\$0.10
Expected volatility ⁽¹⁾	251.32%
Dividend yield	0.00%

⁽¹⁾ The estimated expected share price volatility to be 251.32% based on historical data

At June 30, 2018, the weighted average remaining contractual life of the outstanding options is 4.86 years.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six months ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

NOTE 7 SHARE CAPITAL AND RESERVES (Continued)

At June 30, 2018, there were 400,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Numbers of options outstanding	Exercise price	Expiry Date
200,000	\$ 0.10	April 2, 2023
200,000	\$ 0.10	June 13, 2023
400,000		

The reserve of \$2,048,896 represents the accumulated balance of share based payments granted to various parties.