ADVENTUS ZINC CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Independent Auditor’s Report

To the Shareholders of Adventus Zinc Corporation

Opinion
We have audited the consolidated financial statements of Adventus Zinc Corporation (the “Corporation”), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss, comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

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

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

Material Uncertainty related to Going Concern
We draw attention to Note 2 in the financial statements which indicates that the Corporation incurred a net loss attributable to common shareholders of $1.7 million and $3.8 million for the years ended December 31, 2018 and December 31, 2017. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt about the Corporation’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information which comprises Management’s Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
April 26, 2019

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ADVENTUS ZINC CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31,

(expressed in Canadian dollars)	Notes		2018		2017
ASSETS					
Current assets					
Cash and cash equivalents		$	6,769,641	$	10,784,319
Advances made on options to acquire mineral interests	9		55,001		681,561
Other receivables and prepaid expenses	9		225,047		255,170
Total current assets		$	7,049,689	$	11,721,050
Non-current assets					
Exploration and evaluation assets	10	$	2,798,123	$	3,491,369
Options to acquire mineral interests	10		19,095,404		3,117,192
Furniture, leasehold improvements and equipment			36,487		11,668
Investment in associate	8		1,386,907		-
Total non-current assets		$	23,316,921	$	6,620,229
TOTAL ASSETS		$	30,366,610	$	18,341,279
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	1,665,108	$	1,117,933
Total current liabilities		$	1,665,108	$	1,117,933
Equity					
Shareholders' equity	14	$	28,724,245	$	17,223,346
Non-controlling interest			(22,743)		-
Total equity		$	28,701,502	$	17,223,346
TOTAL LIABILITIES AND EQUITY		$	30,366,610	$	18,341,279

Commitments (Note 18)

Subsequent events (Note 20)

On behalf of the Board (Approved on April 26, 2019)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Paul Sweeney"

Paul Sweeney, Director

ADVENTUS
ZINC CORPORATION

CONSOLIDATED STATEMENTS OF LOSS
FOR THE YEAR ENDED DECEMBER 31,

(expressed in Canadian dollars)	Notes		2018		2017
Expenses and other income					
General and administrative	11	$	2,555,101	$	2,670,672
Share-based compensation	14(b)		626,359		606,994
Generative exploration	12		522,251		497,350
Exploration and evaluation assets abandoned or impaired	10		161,072		-
Impairment loss on investments	8		2,895,994		-
Depreciation			30,181		3,780
Foreign exchange loss (gain)			(1,039,500)		55,226
Interest income			(137,493)		(7,222)
Other income	10		(800,000)		-
Gain on disposal of investments	7		(3,136,175)		-
Share of loss in associates	8		51,184		-
		$	1,728,974	$	3,826,800
Loss before income taxes			(1,728,974)		(3,826,800)
Income tax expense			-		-
Net loss		$	(1,728,974)	$	(3,826,800)
Net loss attributable to:					
Common shareholders			(1,708,937)		(3,826,800)
Non-controlling interest			(20,037)		-
		$	(1,728,974)	$	(3,826,800)

Net loss per share					
Basic and diluted	14(d)	$	(0.03)	$	(0.08)
Weighted average number of shares					
Basic and diluted	14(d)		63,410,293		45,271,385

ADVENTUS ZINC CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31,

(expressed in Canadian dollars)	Notes		2018		2017
Net loss		$	(1,728,974)	$	(3,826,800)
Other comprehensive gain (loss)					
To be reclassified subsequently to profit or loss					
Foreign currency translation adjustment on foreign operations			(2,785)		11,838
Total comprehensive loss		$	(1,731,759)	$	(3,814,962)
Net loss attributable to:					
Common shareholders			(1,710,891)		(3,814,962)
Non-controlling interest			(20,868)		-
		$	(1,731,759)	$	(3,814,962)

ADVENTUS ZINC CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

(expressed in Canadian dollars)		2018		2017
Operating activities				
Net loss	$	(1,728,974)	$	(3,826,800)
Adjustments for non-cash and non-operating activities:				
Depreciation		30,181		3,780
Share-based compensation		626,359		606,994
Generative exploration		522,251		497,350
Exploration and evaluation assets abandoned or impaired		161,072		-
Gain on disposal of investment in subsidiary		(3,162,075)		-
Impairment loss on investments		2,895,994		-
Share of loss in associate		51,184		-
Unrealized exchange (gain) loss		(1,045,722)		46,252
	$	(1,649,730)	$	(2,672,424)
Changes in non-cash operating working capital:				
Other receivables and prepaid expenses		29,209		46,628
Accounts payable and accrued liabilities		(15,409)		120,140
	$	13,800	$	166,768
Cash used in operating activities	$	(1,635,930)	$	(2,505,656)
Investing activities				
Generative exploration		(522,251)		(497,350)
Exploration and evaluation assets, net of recoveries		(482,585)		(1,995,031)
Acquisition of furniture, leasehold improvements and equipment		(55,000)		(15,448)
Options to acquire mineral interests		(10,576,263)		(3,863,746)
Investment in subsidiary		(1,032)		-
Cash used in investing activities	$	(11,637,131)	$	(6,371,575)
Financing activity				
Net proceeds from issuance of shares		9,161,518		11,715,287
Cash provided by financing activity	$	9,161,518	$	11,715,287
Net increase (decrease) in cash		(4,111,543)		2,838,056
Effect of foreign exchange on cash and cash equivalents		96,865		11,838
Cash, beginning of year		10,784,319		7,934,425
Cash and cash equivalents, end of year	$	6,769,641	$	10,784,319
Cash and cash equivalents consist of:				
Deposits with banks		652,604		10,683,710
Short term deposits		6,117,037		100,609
Cash and cash equivalents, end of year	$	6,769,641	$	10,784,319

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(expressed in Canadian dollars, except share amounts)	Notes	Common Shares Number	Common Shares Amount	Contributed Surplus	Warrants	Accumulated Other Comprehensive Loss	Retained Deficit	Total Shareholders' Equity	Non-controlling Interest	Total Equity
Balance, January 1, 2017		39,570,015	$ 9,011,385	$ 6,852	$ -	$ 79	$ (302,289)	$ 8,716,027	$ -	$ 8,716,027
Shares issued under offering	14(a)	17,363,637	13,000,001	-	-	-	-	13,000,001	-	13,000,001
Share issuance costs	14(a)	-	(1,284,714)	-	-	-	-	(1,284,714)	-	(1,284,714)
Brokers' warrants	14(a)	-	(83,665)	-	83,665	-	-	-	-	-
Share-based compensation	14(b)	-	-	606,994	-	-	-	606,994	-	606,994
Net loss and comprehensive loss		-	-	-	-	11,838	(3,826,800)	(3,814,962)	-	(3,814,962)
Balance, December 31, 2017		56,933,652	$ 20,643,007	$ 613,846	$ 83,665	$ 11,917	$ (4,129,089)	$ 17,223,346	$ -	$ 17,223,346
Shares issued under private placement	14(a)	10,266,925	9,240,233	-	-	-	-	9,240,233	-	9,240,233
Shares issued to acquire options in mineral rights	6	3,804,348	3,423,913	-	-	-	-	3,423,913	-	3,423,913
Share issuance costs	14(a)	-	(78,715)	-	-	-	-	(78,715)	-	(78,715)
Share-based compensation	14(b)	-	-	626,359	-	-	-	626,359	-	626,359
Acquisition of Dos Gemas	6	-	-	-	-	-	-	-	(1,875)	(1,875)
Net loss and comprehensive loss		-	-	-	-	(1,954)	(1,708,937)	(1,710,891)	(20,868)	(1,731,759)
Balance, December 31, 2018		71,004,925	$ 33,228,438	$ 1,240,205	$ 83,665	$ 9,963	$ (5,838,026)	$ 28,724,245	$ (22,743)	$ 28,701,502

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Adventus Zinc Corporation ("Adventus Zinc" or "the Corporation") is a mineral exploration and development company that is focused on the identification and acquisition of mineral properties and the exploration and development of its mineral properties. It is presently funding exploration and development expenditures in the Curipamba property ("Curipamba") in Ecuador under an option agreement ("Option Agreement") to earn an interest in Curipamba as well as in other exploration properties in Ecuador under an exploration alliance agreement ("Alliance Agreement") with Salazar Resources Ltd ("Salazar").

The Corporation was incorporated on October 24, 2016 pursuant to the Canada Business Corporations Act. Its registered office is at 550-220 Bay Street, Toronto, ON, M5J 2W4. It is listed on the TSX Venture Exchange under the symbol ADZN and began to trade on the OTCQX under the symbol ADVZF on September 21, 2018.

The Corporation's consolidated financial statements were authorized for issue by the Board on April 26, 2019.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical cost basis. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in Canadian dollars, unless otherwise stated.

Going concern

These consolidated financial statements have been prepared on a going concern basis. In making the assessment that the Corporation is a going concern, management has considered all available information about the future, which is at least, but not limited to, the twelve months from December 31, 2018.

As at December 31, 2018, the Corporation has $6.8 million in cash and cash equivalents, with $5.4 million in working capital. The Corporation reported net loss attributable to common shareholders of $1,708,937 for the year ended December 31, 2018 (2017: $3,826,800). The ability to continue operations in the normal course of business is dependent on several factors, including the Corporation's ability to secure funding.

The recoverability of the amount capitalized to exploration and evaluation assets and to the options to acquire shares in mineral rights is dependent upon the existence of economically recoverable reserves, the ability of the Corporation to obtain financing on favourable terms to continue to perform exploration activity or complete the development of the properties where necessary, or alternatively, upon the Corporation's ability to recover its incurred costs through a disposition of its interests, all of which are uncertain. These uncertainties may affect the ability of the Corporation to continue operations and meet its obligations and discharge its liabilities into the foreseeable future as a going concern and, accordingly, the ultimate appropriateness of the use of the accounting principles applicable to going concern.

The Corporation has been able to raise adequate funding for its operations since its incorporation in 2016. On February 9, 2017, the Corporation closed an initial public offering for gross proceeds of $3,000,000. On December 21, 2017, the Corporation closed a private placement for gross proceeds of $10,000,001. On July 17, 2018, the Corporation closed a non-brokered private placement (the "Offering") for gross proceeds of $9,240,233 with Wheaton Precious Metals Corp. ("Wheaton") as the lead investor. (Note 14(a)). However, there is no assurance that this can be replicated in a timely manner. As such, management believes that there are material uncertainties that exist that may cast significant doubt upon the Corporation's ability to operate as a going concern. Management continues to explore all available options to secure funding, including equity financing and strategic partnerships. Should the Corporation not be able to secure financing in a timely manner, the Corporation will curtail exploration spending and defer discretionary expenditures to conserve cash.

These consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to statement of loss and comprehensive loss that might be necessary if the Corporation was unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of consolidation*

These consolidated financial statements include the financial statements of the Corporation and the entities controlled by the Corporation (its subsidiaries). Control exists when the Corporation has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Corporation has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Corporation considers all relevant facts and circumstances in assessing whether or not the Corporation's voting rights in an investee are sufficient to give it power, including the size of the Corporation's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Corporation, other vote holders or other parties; rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Corporation has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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 intercompany transactions and balances have been eliminated.

When the Corporation loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary from the consolidated statement of financial position. It recognizes a gain or loss in the statement of earnings or losses, which is the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive loss in relation to that subsidiary are accounted for as if the Corporation had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of a financial asset for subsequent accounting under IFRS 9, and where applicable, the cost on initial recognition of an investment in an associate.

These consolidated financial statements include all subsidiaries in the accounts of the Corporation for the periods presented. These subsidiaries are listed as follows:

Subsidiary	Ownership	Incorporated	Nature
Adventus Zinc Ireland Limited	100%	Ireland	Mineral exploration
Dos Gemas Company M2G S.A.	80%	Ecuador	Mineral exploration

(b) *Financial instruments*

The Corporation determines the classification of financial assets and financial liabilities at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification depends on the purpose for which the financial instruments were acquired, and their characteristics and/or management's intent. Transaction costs with respect to instruments not classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments and amortized using the effective interest method. Transaction costs with respect to instruments classified as fair value through profit or loss are recognized immediately in profit or loss.

Effective January 1, 2018, the financial assets are classified according to the following measurement categories:

- Financial assets at amortized cost that are held in order to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost;
- Financial assets at fair value through other comprehensive loss ("FVOCI") that are held both for collecting contractual cash flows and future potential sale, where those cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive loss; and

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Financial asset at fair value through profit or loss ("FVTPL") that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.

The financial liabilities are classified according to the following measurement categories:

- Financial liabilities at FVTPL that are held for trading or designated by the Corporation as FVTPL are measured at fair value with changes in fair value recognized in the consolidated statement of loss.
- Financial liabilities at amortized cost that do not meet the criteria for FVTPL are measured at amortized cost using the effective interest rate method. Other-financial-liabilities are initially recorded at fair value including direct and incremental transaction costs and are subsequently measured at amortized cost using the effective interest method.

(c) Cash and cash equivalents

Cash and cash equivalents consist of amounts on deposit with banks and short-term investments in money market instruments that are readily convertible to cash with initial terms to maturity of three months or less at the time of purchase. Cash and cash equivalents are carried at amortized cost.

(d) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment loss, if any, and is amortized at the following annual rates:

Computer equipment	50 % declining balance
Office furniture	50% declining balance
Leasehold improvement	straight line over life of lease

Where parts of an item of an equipment have different useful lives, they are accounted for as separate items of equipment, and depreciated over their respective lives.

(e) Investment in associates

Investment in associates over which the Corporation exercises significant influence are accounted for using the equity method, whereby the investment is initially recognized at cost and adjusted thereafter for the Corporation's share of change in net assets of the investee post-acquisition, while including its share of the investee's profit or loss in the Corporation's profit or loss and the investee's other comprehensive loss is included in the Corporation's other comprehensive loss. At each reporting date, the Corporation determines if there is objective evidence of impairment as a result of one or more loss events and where that exists, the Corporation will record an amount of impairment charge in its profit or loss for the period.

(f) Exploration and evaluation assets

The Corporation defers costs for mineral properties and exploration costs when it has in its possession the legal right to explore for mineral deposits on a given property. General prospecting and exploration costs incurred prior to the staking of specific mineral claims are expensed immediately. Exploration and evaluation assets include the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of geologists' and prospectors' salaries based on time spent, and other costs directly related to specific properties. Mineral properties acquired for share consideration are recorded at the fair value of the mineral properties received.

Incidental revenue and cost recoveries relating to exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation assets to which the fees and payments relate, and any excess as other revenue on the statement of net loss.

Management reviews the carrying values of exploration and evaluation assets' costs on a quarterly basis. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases, and the general likelihood that the Corporation will continue exploration on the project.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Corporation does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if further exploration is warranted and if there is an indication of impairment.

If a mineral property is abandoned, or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against earnings in the year of abandonment or determination of impairment. The amounts recorded as exploration and evaluation assets represent unamortized costs to date and do not necessarily reflect present or future values.

The accumulated costs of exploration and evaluation assets that are developed to the stage of technical feasibility and commercial viability will be amortized to operations on a units-of-production basis over the life of the economically recoverable reserves.

(g) Decommissioning and restoration provision

The Corporation recognizes a provision for decommissioning and restoration costs associated with long-lived assets which includes the abandonment of exploration and evaluation assets and costs required to return the properties to their original condition.

The Corporation recognizes the fair value of the provision in the period in which the obligation is identified and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows to abandon or reclaim the asset at the Corporation's risk-free interest rate. The provision is subsequently adjusted for the passage of time and is recognized as an accretion expense in the consolidated statement of loss. The provision is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows. The increase in the carrying value of the asset is amortized on the same basis as the exploration and evaluation assets.

(h) Impairment of Property, Plant and Equipment

At each reporting date the carrying amounts of property, plant and equipment are reviewed to determine whether there is any indication that those assets are impaired. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset.

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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as impairment expense. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as an impairment reversal for the period.

(i) Provisions

In general, provisions are recognized when the Corporation has a present obligation (legal or constructive) as the result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability. The expense relating to any provision is presented in general and administrative expenses, depending on the nature of the provision. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized as financing expense. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Income taxes

The Corporation follows the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are recognized based on the expected future tax consequences of unused tax losses, unused tax credits, and differences between the carrying amount of balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse. Deferred income tax assets are recognized to the extent it is probable they will be realized.

(k) Foreign currency translation

The functional currency of the Corporation is the Canadian dollar, that of Dos Gemas is the United States dollar and that of Adventus Zinc Ireland Limited ("Adventus Ireland") is the Euro. The presentation currency of these consolidated financial statements is the Canadian dollar. On consolidation, the assets and liabilities of foreign operations are translated to Canadian dollars at the exchange rates in effect at the reporting date and the income and expenses of foreign operations are translated to Canadian dollars at rates that approximate the exchange rates at the dates of the transactions. All foreign exchange differences resulting from the translation from functional currency to the presentation currency are reported in other comprehensive loss.

(l) Foreign currency transactions

Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the date of the transaction. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Gains and losses on translation of monetary assets and liabilities are included in the determination of net income or loss for the period. The Corporation's subsidiaries with non-Canadian dollar functional currencies are translated using the rate in effect at the balance sheet date for assets and liabilities and using the average exchange rates during the period for revenue and expenses. The resulting translation adjustment is recorded as a separate component of accumulated other comprehensive loss.

(m) Share-based payments

Stock options granted to employees, directors and non-employees are accounted for using the fair value method. The compensation cost for options granted is determined based on the estimated fair value of the stock options at the time of the grant using the Black-Scholes option pricing model and is amortized over the vesting period with an offset to share-based payment reserve. When options are exercised, the corresponding share-based payment reserve and the proceeds received by the Corporation are credited to share capital. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

(n) Earnings (loss) per share

Basic net earnings (loss) per share is calculated using the weighted average number of common shares outstanding for the respective periods. Diluted earnings (loss) per share is calculated using the treasury stock method, whereby it is assumed that proceeds received on the exercise of in-the-money stock options and warrants are used to repurchase the Corporation's shares at the average market price during the period to the extent that their inclusion is not anti-dilutive.

(o) Segment reporting

The Corporation operates in the mineral exploration and development sector and has only one reportable segment. It has three geographic locations of operations, which are Ecuador, Ireland and Canada. The head office in Canada provides support to Ecuador in terms of corporate administration, treasury, finance and regulatory, technical support and project management. The Irish projects, which are not material, as well as the investment in an associate, are also managed out of the Canadian head office. The Chief Executive Officer is the chief operating decision maker ("CODM") and is responsible for assessing the performance of the Corporation's operations and making resource allocation decisions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Adoption of new accounting standards

The following standards are effective for annual reporting periods beginning on or after January 1, 2018 or later and have been adopted by the Corporation.

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB on July 24, 2014 and replaced IAS 39, "Financial instruments: recognition and measurement" ("IAS 39"). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. Final amendments released on July 24, 2014 also introduced a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets.

The Corporation has adopted IFRS 9 with a date of initial adoption of January 1, 2018. The standard has been applied on a modified retrospective approach using the available transitional provisions. Under this approach, the 2017 comparative period was not restated and a cumulative transitional adjustment to the opening retained earnings balance was not required at January 1, 2018.

On adoption, the Corporation updated its financial instrument classifications and measurement as follows:

Financial asset or liability	IAS 39 December 31, 2017	IFRS 9 January 1, 2018
Cash and cash equivalents	Amortized cost	Amortized cost
Other receivables	Amortized cost	Amortized cost
Advances made on options to acquire mineral interests	Amortized cost	Amortized cost
Options to acquire mineral interests	Fair value through profit and loss (FVTPL)	FVTPL
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Corporation continues to classify the options to acquire shares of an entity, which directly or indirectly holds an underlying mineral property interest, as FVTPL. The option derivative is measured at fair value at each reporting period, unless the value of the derivative is not reliably measurable at which point the investment is recognized at its cost.

These option derivatives are financial assets denominated in US dollars, and hence are retranslated into the Corporation's functional currency using the spot rates at each quarter-end with the differences in profit or loss.

Impairment of financial assets, such as the Corporation's other receivables and the advances made on options to acquire mineral interests, are determined using a single impairment model that requires the Corporation to recognize expected credit losses without requiring a triggering event to occur.

There was no impact on the Corporation's consolidated financial statements upon adoption of this standard.

IFRS 15 - Revenue from Contracts with Customers. This standard is effective for annual periods beginning on or after January 1, 2018 and provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Corporation adopted IFRS 15 for the year beginning on January 1, 2018. The Corporation does not have any revenue from contracts with customers. As such, there was no restatement of the 2017 comparative period or cumulative transitional adjustment to the opening retained earnings.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 16 – Leases: This standard was issued by the IASB on January 13, 2016 and will replace IAS 17 "Leases". The new standard is effective for annual financial reporting periods beginning on or after January 1, 2019.

IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged. The Corporation will recognize

(a) right-of-use assets and lease liabilities, except for short-term leases and leases of low value assets, initially measured at the present value of future lease payments;

(b) depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of earnings and losses; and

(c) separate the total amount of cash paid into a principal portion (presented within the financing activities) and interest (presented with operating activities) in the consolidated statement of cash flows.

For short-term leases with lease term of 12 months or less, and for leases of low-value assets, the Corporation will opt to recognize a lease expense on a straight-line basis.

The Corporation has not early adopted IFRS 16. As at the end of 2018, the Corporation has identified that it has an office lease and it will continue to assess the impact of this standard on its consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES

In preparing these consolidated financial statements in conformity with IFRS, the Corporation has to exercise significant judgment and make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ materially from those estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences.

Estimates and assumptions are continually evaluated and are based on historical experience, current and future economic conditions and other factors, including expectations of events that are believed to be reasonable under the circumstances.

(a) Significant judgements

In preparing these consolidated financial statements, the significant judgments made by management in applying the Corporation's accounting policies and the basis of consolidation include but are not limited to the following:

Economic recoverability and probability of future economic benefits of exploration and evaluation costs and options to acquire mineral interests: the Corporation has determined that exploration drilling, evaluation, development and related costs incurred which have been capitalized as well as expenditures incurred on the options to acquire mineral interests are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgical information, scoping and feasibility studies, accessible facilities, and existing permits.

Impairment of Property, Plant and Equipment: At the end of each reporting period, the Corporation assesses each cash generating unit to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The impairment analysis requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential, and operating performance. Fair value of exploration and evaluation properties is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account.

Impairment of Investment in Associate: At the end of each reporting period, the Corporation assesses each Associate to determine whether there is objective evidence of impairment. The impairment analysis requires the use of estimates and assumptions as to whether significant changes with an adverse effect have taken place in the technological, market, economic or legal environment in which the associate operates.

5. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

(b) Critical estimates

In preparing these consolidated financial statements, the key sources of estimation uncertainly include but are not limited to the following:

Income taxes: The Corporation has available unused operating losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Share based compensation: The fair value of certain share-based compensation units require judgment in the determination of fair value using assumptions on expected volatility, expected lives and other factors that could affect the value reported as an expense and as an obligation.

6. ACQUISITIONS AND OPTIONS TO EARN-IN

Curipamba Option Agreement

On October 5, 2017, the Corporation closed the previously signed Option Agreement with Salazar whereby the Corporation may earn a 75% interest in Salazar's Curipamba project located in Ecuador by funding exploration and development expenditures of US$25 million over the following five years (the "Option Period"). The agreement contemplates that a feasibility study is to be completed within three years, after which the Corporation is required to fund 100% of the development and construction expenditures to commercial production.

During the Option Period, Salazar will manage the exploration and stakeholder relations for Curipamba in return for a 10% management fee on certain expenditures, subject to a minimum of US$350,000 per year. In addition, the Corporation will provide Salazar with a US$250,000 annual advance payment until the achievement of commercial production, subject to a maximum cumulative total of US$1.5 million, the amount of which will not be refunded should the Option Agreement be terminated without the option having been exercised.

Upon achievement of commercial production, Adventus will receive 95% of the dividends from the Curipamba project until its aggregate investment, including the US$25 million, has been recouped minus the approximate Salazar carrying value of US$18.2 million when the Option Agreement was signed, after which dividends will be shared on a pro-rata basis with Salazar according to their respective ownership, that is, 75% to the Corporation and 25% to Salazar. In certain circumstances where project development is delayed post earn-in, Adventus' ownership position could be diluted.

Investment in Dos Gemas Company M2G S.A.

On September 14, 2017, a memorandum of understanding was signed with Salazar to jointly explore for and acquire additional zinc-related projects in Ecuador outside of Curipamba. This was formalized by the signing of the Alliance Agreement on February 19, 2018. Pursuant to the Alliance Agreement, an Ecuadorian company owned as to 80% by Adventus and 20% by Salazar, will serve as the vehicle for any exploration projects that Adventus and Salazar agree to bring under the Alliance Agreement. Dos Gemas Company M2G S.A. ("Dos Gemas"), a wholly owned subsidiary of Salazar, was reorganized by February 23, 2018 to reflect the respective equity interests and to serve as the investment vehicle. Prior to acquisition, Adventus agreed to reimburse certain costs amounting to approximately US$200,000 which were incurred by Salazar, and on reorganization of Dos Gemas, there were no further assets nor liabilities in Dos Gemas nor were any acquisition cost made.

The Alliance Agreement provides the Corporation with control of Dos Gemas, as the Corporation owns 80% of Dos Gemas. Hence the financial statements of Dos Gemas are included in the consolidated financial statements of the Corporation and the proportion of profit or loss and each component of other comprehensive income or loss are attributed to the Corporation and to the non-controlling interests. The Corporation will fund commercial activities of new and approved exploration projects up to a construction decision. Salazar owns 20% of Dos Gemas and operates Dos Gemas in Ecuador for a 10% operator's fee on certain expenditures. Salazar is required to bring all zinc-related (zinc as one of the two top metals) projects preferentially to Dos Gemas but can also transfer other non-zinc projects into Dos Gemas upon agreement by the Corporation.

6. ACQUISITIONS AND OPTIONS TO EARN-IN (CONTINUED)

Investment in Pijilí project

On March 28, 2018, Adventus and Salazar signed an agreement (the "Pijilí Agreement") to add the first project to the Alliance Agreement. The Pijilí project is an exploration project that had been granted to Salazar by the Ministry of Mining in Ecuador, subject to a US$5 million expenditure over four years. As the Pijilí project was already in Salazar's project portfolio, Salazar granted Adventus the option for Dos Gemas to acquire the full interest in Pijilí through an entity that holds the Pijilí project, subject to the following conditions (the "Pijií Conditions"):

a. US$1 million exploration budget ("Pijilí Expenditures") on the Pijilí project to be fully funded by Adventus (or reserved for Dos Gemas) over the next 18 months; and

b. Adventus issuing 2,333,333 common shares ("Pijilí Share Consideration") to Salazar on the earlier of (i) Adventus next completing a financing with gross proceeds of at least $3 million, (ii) Adventus completing a merger or acquisition transaction involving its common shares, or (iii) March 1, 2019. Where the value of the Pijilí Share Consideration falls below $2,333,333, up to an additional 500,000 common shares will be issued to Salazar for the value difference based on the 10-day VWAP on the day preceding the date of issuance.

In consideration for the investment, the Corporation agreed to pay US$150,000 in cash payments, with US$100,000 due and paid for on the date of announcement, and US$50,000 due on the official transfer of the entity that holds the Pijilí project to Dos Gemas. (Note 10).

Investment in Santiago project

On May 22, 2018, Adventus and Salazar signed an agreement (the "Santiago Agreement") to add the Santiago project to the Alliance. The Santiago project is an exploration project owned by Salazar, and pursuant to the Santiago Agreement, Salazar granted Adventus the option for Dos Gemas to acquire the full interest in Santiago through an entity that holds the Santiago project, subject to the following conditions (the "Santiago Conditions"):

a. US$500,000 exploration budget ("Santiago Expenditures") on the Santiago project to be fully funded by Adventus (or reserved for Dos Gemas) over the next 24 months; and

b. Adventus issuing 1,166,667 common shares ("Santiago Share Consideration") to Salazar on the earlier of (i) Adventus next completing a financing with gross proceeds of at least $3 million, (ii) Adventus completing a merger or acquisition transaction involving its common shares, or (iii) March 1, 2019. Where the value of the Santiago Share Consideration falls below $1,166,667, up to an additional 250,000 common shares will be issued to Salazar for the value difference based on the 10-day VWAP on the day preceding the date of issuance.

In consideration for the investment, the Corporation agreed to pay US$75,000 in cash payments, with US$50,000 due and paid for on the date of announcement, and US$25,000 due on the official transfer of the entity that holds the Santiago project to Dos Gemas.

On July 17, 2018, the Corporation closed the Offering with gross proceeds exceeding $3 million. Pursuant to the Pijilí and Santiago Agreements, the Corporation issued a total of 3,804,348 shares to Salazar for which 2,536,232 were issued in respect of the Pijilí Share Consideration and 1,268,116 were in respect of the Santiago Share Consideration. These shares were recorded at $2,282,609 and $1,141,304 as a cost of the options to earn into the Pijilí and the Santiago projects, respectively. (Note 10).

7. DISPOSAL OF INVESTMENT

Adventus Newfoundland Corporation ("Adventus NL"), a wholly-owned subsidiary of the Corporation, holds various properties in the province of Newfoundland and Labrador, including Buchans, Katie and La Poile (the "Newfoundland Properties"). In January 2018, the Board approved the plan to sell the Newfoundland Properties.

On February 20, 2018, the Corporation entered into a three-party definitive agreement ("Canstar Transaction") with Altius Resources Inc. ("Altius"), a wholly owned subsidiary of Altius Minerals Limited ("Altius Minerals") (TSX: ALS), and Canstar Resources Ltd. ("Canstar") (TSX-V: ROX) whereby Canstar will acquire Adventus NL from the Corporation and the Daniel's Harbour from Altius in exchange for the issuance of common shares of Canstar to Adventus and Altius and a funding commitment of $500,000 from Altius.

(Tabular amounts in Canadian dollars, except per share amounts)

7. DISPOSAL OF INVESTMENT (CONTINUED)

As the Newfoundland Properties were available for immediate sale in their existing condition, management was committed to the sale, and the Canstar Transaction was expected to be closed within the year, the assets and liabilities were presented as held for sale during the first two quarters of 2018, with the assets being measured at the lower of carrying value and fair value less cost of disposal. On July 30, 2018, the Canstar Transaction closed, and the Corporation disposed of its interest in the Newfoundland Properties to Canstar in exchange for 86,681,695 common shares of Canstar, which after a 1 for 5 consolidation, resulted in 17,336,339 post-consolidation common shares in Canstar, which is approximately 39% of its outstanding shares. The consideration for these shares were recorded at $0.25 per share, being the closing price of the shares on the day when trade resumed, with total gross proceeds of $4,334,085.

At the time of disposal, the investment in Adventus NL had a carrying value of $713,065, and an inter-company amount due from Adventus NL of $458,945. On closing of the transaction, the Corporation assigned the right to the amount due from Adventus NL to Canstar for a consideration of $17,845. Net expenses associated with the sale amounted to $43,745, resulting in a gain on disposal of $3,136,175. The Corporation has sufficient non-capital loss carried forwards to shield the tax effect on the gain.

During the year ended December 31, 2018 the Corporation recognized the benefit of certain tax assets not previously recognized and as a result has reported no net tax provision. (Note 13).

8. INVESTMENT IN ASSOCIATES

Pursuant to the Canstar Transaction, the Corporation owns approximately 38.96% of Canstar's voting rights. It was given a right to appoint up to two directors to the board of Canstar. As a result, the Corporation exercises significant influence over Canstar and hence accounts for its investment in Canstar using the equity method. The Corporation currently holds 17,336,339 shares in Canstar at a carrying value of $1,386,907. (Note 7). As the common share price of Canstar has declined significantly since the closing of the transaction and based on management's assessment of the status of the underlying projects and related funding requirements, an impairment of $2,895,994 has been charged against profit or loss for the year. The recoverable amount is based on the market price of the Canstar shares at December 31, 2018.

		Canstar
Balance, January 1, 2018	$	-
Additions		4,334,085
Share of loss in associates		(51,184)
Impairment loss on investment		(2,895,994)
Balance, December 31, 2018	$	1,386,907

The Corporation's share of loss in associates was derived from the most recent set of available financial statements of the investee. Financial highlights of the investment in associates is as follows:

As at and for the six months ended		December 31, 2018
Balance Sheets		
Current assets	$	664,539
Current liabilities		(338,201)
Non-current assets		8,684,791
Non-current liabilities		-
Statement of Earnings (Losses)		
Revenue		-
Net loss and comprehensive loss	$	136,330

Canstar's pre-acquisition net loss and comprehensive loss for the month of July 2018 amounted to $4,946. Hence, loss for the five months ended December 31, 2018 amounted to $131,384, of which $51,184, or approximately 38.96%, was attributable to the Corporation.

9. ADVANCES, OTHER RECEIVABLES AND PREPAID EXPENSES

Advances represent amounts in relation to the option to acquire mineral interests that have been paid to Salazar for project expenditures in Curipamba but have not been spent. No interest is receivable on the advances. Other receivables include interest receivable, sales tax recoverable from the government, deposits paid to suppliers and other prepaid expenses.

(expressed in Canadian dollars)		December 31, 2018		December 31, 2017
Advances made on options to purchase mineral interests	$	55,001	$	681,561
Total advances	$	55,001	$	681,561
Sales tax receivables	$	59,981	$	150,503
Interest and other receivables		58,399		-
Deposits with suppliers		-		78,883
Other prepaid expenses		106,667		25,784
Total other receivables and prepaid expenses	$	225,047	$	255,170

10. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTEREST

The Corporation has the following exploration and evaluation assets and options to acquire mineral interest:

Project	As at Dec 31, 2017	Additions, net of recoveries	Abandoned or impaired	Effect of foreign currency exchange movements	Disposed	As at Dec 31, 2018
Ireland						
Rathkeale Limerick	$ 1,464,123	$ 489,738	$ -	$ 48,860	$ -	$ 2,002,721
Shrule	132,700	9,378	(146,224)	4,146	-	-
Kingscourt	138,173	-	-	5,149	-	143,322
Lismore Waterford	507,470	46,722	-	18,612	-	572,804
Fermoy	8,814	21,100	-	569	-	30,483
Gaine River	2,820	1,529	(4,411)	62	-	-
Moyvore	7,470	2,779	(10,437)	188	-	-
Charleville	-	20,838	-	344	-	21,182
Millstreet	-	27,163	-	448	-	27,611
Newfoundland & Labrador						
Buchans	964,437	(63,958)	-	-	(900,479)	-
Katie	235,624	2,099	-	-	(237,723)	-
La Poile	11,893	4,069	-	-	(15,962)	-
Security Deposits	17,845	-	-	-	(17,845)	-
Total mineral properties	$ 3,491,369	$ 561,457	$ (161,072)	$ 78,378	$ (1,172,009)	$ 2,798,123
Curipamba	$ 3,117,192	$ 9,814,885	$ -	$ 810,890	$ -	$ 13,742,967
Pijilí	-	3,952,745	-	47,837	-	4,000,582
Santiago	-	1,342,853	-	9,002	-	1,351,855
Total options to acquire mineral interests	$ 3,117,192	$ 15,110,483	$ -	$ 867,729	$ -	$ 19,095,404

10. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTEREST (CONTINUED)

Project (expressed in Canadian dollars)		As at December 31, 2016		Additions, net of recoveries		As at December 31, 2017
Ireland						
Rathkeale Limerick	$	219,728	$	1,244,395		1,464,123
Shrule		124,701		7,999		132,700
Kingscourt		131,860		6,313		138,173
Lismore Waterford		60,586		446,884		507,470
Fermoy		-		8,814		8,814
Gaine River		-		2,820		2,820
Moyvore		-		7,470		7,470
Newfoundland & Labrador						
Buchans		517,268		447,169		964,437
Katie		189,169		46,455		235,624
La Poile		5,252		6,641		11,893
Security Deposits		2,100		15,745		17,845
Total Mineral Properties	$	1,250,664	$	2,240,705	$	3,491,369
Curipamba	$	-	$	3,117,192	$	3,117,192

During the year ended December 31, 2018, the Corporation invested $9,814,885 (2017: $3,117,192) in the option to earn into the entity that holds the Curipamba mining interest. As at December 31, 2018, the Corporation had funded a cumulative amount of US$10,074,012 of the US$25,000,000 Qualifying Project Expenditures required over five years (from August 2017) into the option in Curipamba.

In 2018, pursuant to the Pijilí Agreement with Salazar on March 28, 2018, the Corporation invested $3,952,745 into the Pijilí project, including the US$100,000 consideration paid to Salazar in respect of the option to earn into the entity that holds the Pijilí project. Pursuant to the Pijilí Agreement, the Corporation issued 2,536,232 common shares to Salazar concurrent with the Wheaton financing on July 17, 2018. These shares are valued at a price of $0.90 per share, the price at which the Wheaton financing was made, for a total of $2,282,609. This was recorded as a cost of the option. As at December 31, 2018, a total of US$1,259,326 of the US$1,000,000 Pijilí Expenditures have been funded by the Corporation for the Pijilí project. The Corporation has reached the committed Pijilí Expenditures and plans to complete the final cash payment of US$50,000 in the second quarter of 2019 to earn into the right to transfer Pijilí into Dos Gemas.

In 2018, pursuant to the Santiago Agreement with Salazar on May 22, 2018, the Corporation invested $1,342,853 into the Santiago project, including the US$50,000 consideration paid to Salazar in respect of the option to earn into the entity that holds the Santiago project. Pursuant to the Santiago Agreement, the Corporation issued 1,268,116 common shares to Salazar concurrent with the Wheaton financing on July 17, 2018. These shares are valued at a price of $0.90 per share, the price at which the Wheaton financing was made, for a total of $1,141,304. This was recorded as a cost of the option. As at December 31, 2018, a total of US$154,339 of the US$500,000 Santiago Expenditures have been funded by the Corporation for the Santiago project.

On July 17, 2018, concurrent with the Offering (Notes 2 and 14(a)), and for a cash consideration of $800,000, the Corporation granted to Wheaton Precious Metals International Ltd., a subsidiary of Wheaton, certain first rights relating to new precious metal royalties or streams pertaining to the Corporation's interests in the Curipamba project and projects within its Ecuador exploration alliance, as well as future projects acquired by the Corporation in Ecuador. This was recorded as an income for the year ended December 31, 2018.

As of December 31, 2018, the Corporation has included in its accounts payable an amount of $992,060 attributable to exploration and evaluation asset expenditures as well as expenditures for the options to acquire mineral interests. (2017: $330,733).

On July 30, 2018, the Corporation closed a transaction with Canstar to sell its properties in Newfoundland and Labrador in return for shares in Canstar. (Note 7). The carrying values of the Newfoundland properties as at December 31, 2018 is $Nil (2017: $1,229,799).

During the year ended December 31, 2018, the Corporation applied for and was granted mineral exploration licenses for Charleville and Millstreet concessions and abandoned the existing Shrule, Gaine River and Moyvore projects in favour of the new concessions. As a result, these three projects were fully written off in the first quarter of 2018, for an amount of $161,072.

10. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTEREST (CONTINUED)

On February 7, 2019, the Corporation announced that it has entered into a non-binding heads of agreement to sell Lismore, Fermoy, Millstreet and Charleville projects to a privately-owned Australian company BMEx Limited ("BMEx") in return for shares in BMEx (the "Transaction"). The Transaction is expected to be formalized in a share sale and purchase agreement and is subject to the approval of the Exploration and Mining Division of the Department of Communications, Climate Actions and Environment of the Republic of Ireland.

11. GENERAL AND ADMINISTRATIVE EXPENSES

(expressed in Canadian dollars)		2018		2017
Salaries and benefits	$	1,438,090	$	1,134,440
Professional and consulting fees		551,935		1,077,448
Office and administrative		565,076		458,784
Total general and administrative	$	2,555,101	$	2,670,672

12. GENERATIVE EXPLORATION

In 2018, the Corporation invested in Ecuador, making an advance payment of US$250,000 to Salazar pursuant to the Option Agreement in Curipamba (2017: US$250,000) as well as spending US$117,245 (2017: US$144,151) in the Exploration Alliance. (Note 18).

(expressed in Canadian dollars)		2018		2017
Curipamba	$	327,450	$	313,725
Exploration Alliance		182,438		183,625
Others		12,363		-
Total generative exploration	$	522,251	$	497,350

13. INCOME TAXES

The reconciliation of the effective tax expense (recovery) to the tax expense (recovery) computed using the combined Canadian federal and provincial statutory rate of 26.5% is as follows:

(expressed in Canadian dollars)		2018		2017
Income (loss) before income taxes	$	(1,728,974)	$	(3,826,800)
Income tax expense (recovery) computed at the Canadian statutory rate		(458,178)		(1,014,102)
Different statutory tax rate applicable to foreign subsidiaries		37,038		19,225
Net permanent difference		216,144		160,853
Net movement in unrecognized temporary differences		204,996		834,024
Income tax expense (recovery)	$	-	$	-

As of December 31, 2018, the Corporation has gross net deductible temporary differences of $6,333,267 (2017: $4,907,725) for which no deferred tax has been recognized, as the realization of the benefits related to these potential tax deductions is uncertain and cannot be viewed as probable. Accordingly, no deferred income tax asset has been recognized for accounting purposes. The following table summarizes the Corporation's unrecognized net deductible temporary differences:

Item	Country		Amount	Expiry Date
Non-capital losses	Canada	$	2,880,823	2036-2038
Non-capital losses	Ireland		473,855	No expiry
Non-capital losses	Ecuador		100,182	2023
Net temporary differences	Canada		2,878,407	No expiry
Income tax expense (recovery)		$	6,333,267	

14. SHAREHOLDERS' EQUITY

The Corporation is authorized to issue an unlimited number of common shares at no par value. The directors are authorized to fix the number of shares and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares.

(a) Common Shares

On July 17, 2018, the Corporation closed a non-brokered private placement pursuant to which the Corporation issued 10,266,925 common shares of the Corporation at $0.90 per share for total gross proceeds of $9,240,333. Wheaton was the largest participant in the Offering, acquiring 9.99% of the Corporation's common shares, and had been granted the right to participate in future equity offerings so that it can maintain its pro rata ownership at the time of any of such offering, up to a maximum of 9.9% of the common shares of the Corporation, as long as Wheaton holds 5.0% of the outstanding equity at the time of such an offering.

Pursuant to the Pijilí and Santiago Agreements, and concurrent with the Wheaton financing on July 17, 2018, the Corporation issued an aggregate of 3,804,348 common shares of the Corporation to Salazar as consideration for the Pijilí and Santiago projects. (Note 6).

On December 21, 2017, the Corporation completed a private placement ("2017 Placement") pursuant to an underwriting agreement dated December 2, 2017 between the Corporation and a syndicate of various underwriters. The 2017 Placement consisted of 11,363,637 common shares of the Corporation at a price of $0.88 per common share, for aggregate gross proceeds of $10,000,001. On closing, the Corporation paid the underwriters a fee equal to 1% of the gross proceeds of the 2017 Placement in respect of any shares sold to certain existing shareholders and purchasers introduced by Adventus (the "President's List") and 6% of the remaining gross proceeds. The Corporation also issued broker warrants equal to 3% of the number of shares issued to purchasers who were not on the President's List. These broker warrants may be exercised within 24 months from the closing date of the 2017 Placement in exchange of common shares of the Corporation at the price of $0.88 per common share. The broker warrants are valued at $40,893 using Black-Scholes option pricing model and are accounted for as equity settled share-based payment transactions as the services provided relate to the share issuance. An amount of $488,741 has been recorded as share issuance costs against the carrying value of the common shares.

On February 9, 2017, the Corporation closed an initial public offering (the "Offering") under a long-form prospectus. The Offering consisted of 6,000,000 common shares of the Corporation at a price of $0.50 per common share, for aggregate gross proceeds of $3,000,000. The common shares were offered for sale pursuant to an underwriting agreement dated December 16, 2016 among the Corporation and a syndicate of various underwriters. On closing, the Corporation paid the underwriters a fee equal to 2% of the gross proceeds of the Offering up to $1,000,000 received from purchasers identified on the President's List and 5% of the remaining gross proceeds of the Offering. The broker received 200,000 broker warrants in the Corporation and may exercise these warrants within 24 months from the Offering in exchange for common shares of the Corporation at the Offering price of $0.50. The broker warrants are valued at $42,772 using the Black-Scholes option pricing model and are accounted for as equity settled share-based payment transactions as the services provided relate to the share issuance. Other share issue costs of $795,973 have been recorded against the carrying value of the common shares.

(b) Stock Options

The Corporation has a stock option plan under which directors, officers and employees of the Corporation and of its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Corporation at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Corporation. Options granted under the plan generally have a term of five years but may not exceed five years and typically vest over a five-year period or at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the stock exchange(s) on which the Corporation's common shares are then listed.

14. SHAREHOLDERS' EQUITY (CONTINUED)

The following table summarizes the Corporation's stock option plan as of December 31, 2018 and changes during the periods then ended:

(expressed in Canadian dollars, except per share amounts)	Number of Options		Weighted Average Exercise Price
Options outstanding, January 1, 2017	2,250,000	$	0.25
Granted	2,150,000		0.85
Options outstanding, December 31, 2017	4,400,000		0.54
Granted	100,000		0.96
Balance as at December 31, 2018	4,500,000	$	0.55

During the year ended December 31, 2018, the Corporation recorded share-based compensation expense of $626,359 (2017: $606,994) relating to stock options vested to employees and directors in the period.

The weighted-average fair value of stock options granted during 2018 was estimated on the dates of grant to be $0.61 using the Black-Scholes option pricing model with the following assumptions:

	2018	2017
Expected life (years)	5.0	5.0
Risk-free interest rate (%)	2.08	1.36
Expected volatility (%)	79	79
Expected dividend yield (%)	-	-

There were no options exercised or expired/forfeited during the periods.

Stock options outstanding and exercisable as at December 31, 2018 and 2017 are as follows:

Range of exercise prices ($/option)	Number, outstanding at December 31, 2018	Number, exercisable at December 31, 2018	Weighted Average Remaining contractual life (years)
$0.00 - $0.25	2,250,000	1,500,001	2.97
$0.26 - $0.50	-	-	-
$0.51 - $0.75	-	-	-
$0.76 - $1.00	2,250,000	716,666	3.45
Balance as at December 31, 2018	4,500,000	2,216,667	3.21

Range of exercise prices ($/option)	Number, outstanding at December 31, 2017	Number, exercisable at December 31, 2017	Weighted Average Remaining contractual life (years)
$0.00 - $0.25	2,250,000	750,000	3.97
$0.26 - $0.50	-	-	-
$0.51 - $0.75	-	-	-
$0.76 - $1.00	2,150,000	-	4.42
Balance as at December 31, 2017	4,400,000	750,000	4.19

14. SHAREHOLDERS' EQUITY (CONTINUED)

(c) Brokers' Warrants

A summary of the number of common shares reserved pursuant to the Corporation's outstanding warrants at December 31, 2018 and 2017 and the movement during the years ended December 31, 2018 and 2017 are as follows:

(expressed in Canadian dollars, except per share amounts)	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding as at January 1, 2017	-	$ -
Granted	354,925	0.67
Warrants outstanding as at December 31, 2017	354,925	0.67
Granted	-	-
Balance as at December 31, 2018	354,925	$ 0.67

The following summarizes the number of common shares pursuant to the Corporation's warrants outstanding at December 31, 2018.

Number, outstanding at December 31, 2018	Exercise price	Expiry Date	Remaining life (years)
200,000	$ 0.50	Feb 9, 2019	0.11
154,925	0.88	Dec 21, 2019	0.97
354,925	$ 0.67		0.49

(d) Net loss per share

Basic and diluted net loss per share were calculated using the weighted average number of common shares for the respective periods. The diluted net loss per share was calculated using the weighted average number of common shares outstanding for the respective periods after giving effect to dilutive stock options. For loss periods, the diluted net loss per share was calculated using weighted average number of common shares outstanding for the respective periods without giving effect to dilutive stock options since their inclusion would be anti-dilutive.

	2018	2017
Weighted average number of shares		
Basic and diluted	63,410,293	45,271,385

15. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consists of members of the Corporation's Board of Directors and corporate executive officers. Compensation for key management personnel and directors for the years ended December 31, 2018 and 2017 is as follows:

(expressed in Canadian dollars)	2018	2017
Salaries and benefits	$ 1,610,364	$ 1,134,440
Share-based compensation	626,359	606,994
	$ 2,236,723	$ 1,741,434

For the year ended December 31, 2018, an amount of $313,946 (2017: $48,475) of salaries and benefits of key management personnel were charged to the options to acquire mineral interest in Ecuador.

15. RELATED PARTY TRANSACTIONS (CONTINUED)

During the years ended December 31, 2018 and 2017, the Corporation incurred charges of $29,193 (2017: $422,570) from Altius Minerals Corporation and/or its subsidiaries for management fees, technical consulting and exploration related expenses. Since March 1, 2018, the Corporation has been sharing its office with Altius Minerals Corporation and during the year ended December 31, 2018, the Corporation charged Altius Minerals Corporation an amount of $21,740 for its share of office rental as well as a deposit of $1,707. As at December 31, 2018 the amounts included in accounts payable and accrued liabilities are $8,782 (2017: $22,644) and the amounts included in accounts receivable is $Nil. (December 31, 2017: $Nil).

Since September 1, 2018, the Corporation has been sharing its office with Canstar and during the year ended December 31, 2018, the Corporation charged Canstar an amount of $ 7,712 for its share of office rental as well as a deposit of $1,706. As at December 31, 2018 the amounts included in accounts receivable is $1,706 (December 31, 2017: $Nil).

These transactions are in the normal course of operations and are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments recorded at fair value on the consolidated balance sheets are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; inputs that are derived principally from or corroborated by observable market data by correlation or other means; and estimates of expected volatility, expected life and expected risk-free rate of return, and;

Level 3 – valuation techniques with significant unobservable market inputs.

The Corporation has classified its financial instruments as follows:

As at December 31, 2018 (expressed in Canadian dollars)	**FVTPL**	**Loans and receivables**	**Other liabilities**	**Total**
Financial Assets				
Short-term deposits	$ -	$ 6,117,037	$ -	$ 6,117,037
Other receivables	-	118,380	-	118,380
Advances made on options to acquire mineral interests	-	55,001	-	55,001
Options to acquire mineral interests	19,095,404	-	-	19,095,404
Total Financial Assets	$ 19,095,404	$ 6,290,418	$ -	$ 25,385,822
Financial Liabilities				
Accounts payable and accruals	-	-	1,665,108	1,665,108
Total Financial Liabilities	$ -	$ -	$ 1,665,108	$ 1,665,108

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at December 31, 2017 (expressed in Canadian dollars)	**FVTPL**	**Loans and receivables**	**Other liabilities**	**Total**
Financial Assets				
Short-term deposits	$ -	$ 100,609	$ -	$ 100,609
Other receivables	-	150,503	-	150,503
Advances made on options to acquire mineral interests	-	681,561	-	681,561
Options to acquire mineral interests	3,117,192	-	-	3,117,192
Total Financial Assets	$ 3,117,192	$ 932,673	$ -	$ 4,049,865
Financial Liabilities				
Accounts payable and accruals	$ -	$ -	$ 1,117,933	$ 1,117,933
Total Financial Liabilities	$ -	$ -	$ 1,117,933	$ 1,117,933

The Corporation's financial assets as measured in accordance with the fair value hierarchy described above are:

As at December 31, 2018 (expressed in Canadian dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Options to acquire mineral interests	$ -	$ -	$ 19,095,404	$ 19,095,404
Total Financial Assets	$ -	$ -	$ 19,095,404	$ 19,095,404

As at December 31, 2017 (expressed in Canadian dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Options to acquire mineral interests	$ -	$ -	$ 3,117,192	$ 3,117,192
Total Financial Assets	$ -	$ -	$ 3,117,192	$ 3,117,192

Risk Management

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure.

Credit Risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from receivables. The Corporation closely monitors its financial assets. All receivables are current and the allowance for doubtful account for the years ended December 31, 2018 and 2017 is $Nil and $Nil respectively. The Corporation's cash and cash equivalents are held in fully segregated accounts and include only Euro, Canadian and United States dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity Risk

The Corporation believes that its ability to raise capital and improve net working capital position will enable it to meet current and future obligations at the current level of activity. This conclusion could change with a significant change in operations, the inability to obtain capital or financing from other developments.

Foreign currency risk

The Corporation is exposed to the financial risks related to the fluctuation of foreign exchange rates of the United States dollar relative to the Canadian dollar. As at December 31, 2018, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the United States dollar:

(expressed in Canadian dollars)	2018	2017
Cash	$ 501,417	$ 2,533,768
Other receivables & prepaid expenses	45,038	-
Advances paid for option to acquire mineral interests	30,820	681,561
Options to acquire mineral interests	15,671,490	3,117,192
Accounts payable and accruals	(928,950)	(124,726)
Net asset exposure	$ 15,319,815	$ 6,207,795

The Corporation is exposed to the financial risks related to the fluctuation of foreign exchange rates of the Euro relative to the Canadian dollar. As at December 31, 2018, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

(expressed in Canadian dollars)	2018	2017
Cash	$ 6,389	$ 52,414
Other receivables & prepaid expenses	10,820	64,451
Accounts payable and accruals	(60,893)	(230,115)
Net asset exposure	$ (43,684)	$ (113,250)

17. CAPITAL MANAGEMENT

The Corporation defines its capital as its total equity attributable to shareholders. The Corporation's objectives when managing capital is to maintain financial liquidity and flexibility to preserve its ability to meet financial obligations and to ensure that sufficient capital and access to capital for potential growth and to pursue generative exploration opportunities.

The Corporation does not have any externally imposed restrictions.

18. COMMITMENTS

Mineral property expenditures

The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance, to maintain the licenses in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, posting a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $93,119 by December 31, 2019 and $34,478 by December 31, 2020 to maintain various licenses in good standing.

18. COMMITMENTS (CONTINUED)

Operating lease

The Corporation is committed to lease obligations, including common operating costs, on office space for future payments as follows:

		Amount
2019	$	146,397
Total commitments	$	146,397

Contractual obligations

The Corporation has certain royalty obligations on its properties. This includes a 2% Net Smelter Return ("NSR") royalty on the Irish Properties pursuant to the Irish Royalty Agreement dated November 29, 2016.

Under the Option Agreement in Curipamba, the Corporation shall pay to Salazar an annual advance payment of US$250,000 to an aggregate maximum of US$1,500,000 over the option period of five years. Should the Option Agreement be terminated without the Option having been exercised, any such amounts of advance payment made will not be refundable. As at December 31, 2018, an aggregate amount of US$500,000 had been paid.

Under the Pijilí Agreement, the Corporation shall pay to Salazar US$50,000 as the remainder of the cash consideration when all conditions to the Pijilí Agreement has been satisfied and title to the property transferred to Dos Gemas.

Under the Santiago Agreement, the Corporation shall pay to Salazar US$25,000 as the remainder of the cash consideration when all conditions to the Santiago Agreement has been satisfied and title to the property transferred to Dos Gemas.

19. SEGMENTED INFORMATION

The Corporation operates in one reportable segment, that of exploration and development of mineral properties. It has three geographic locations, namely, Ecuador, Ireland and Canada.

The geographic distribution of the Corporation's assets in exploration and evaluation assets and options to acquire mineral interests as well as total assets are as follows

Exploration and Evaluation assets and Options to acquire mineral interests (expressed in Canadian dollars)		**2018**		**2017**
Ecuador	$	19,095,404	$	3,117,192
Ireland		2,798,123		2,261,570
Canada		-		1,229,799
	$	21,893,527	$	6,608,561

Total Assets (expressed in Canadian dollars)		**2018**		**2017**
Ecuador	$	19,171,791	$	3,798,753
Ireland		2,815,332		2,378,435
Canada		8,379,487		12,164,091
	$	30,366,610	$	18,341,279

20. SUBSEQUENT EVENTS

(a) Options and Brokers' Warrants

On January 23, 2019, 500,000 options were granted to management to purchase common shares of the Corporation at an exercise price of $0.78 per share, expiring on January 23, 2024, to be vested over three years.

Subsequent to December 31, 2018, 213,090 brokers warrants were exercised for proceeds of $111,519.

(b) Irish properties

On February 7, 2019, the Corporation announced that it has entered into a non-binding heads of agreement to divest the Lismore, Fermoy, Millstreet and Charleville exploration projects to a privately-owned Australian exploration company BMEx Limited ("BMEx") (the "BMEx Transaction") for 2,650,000 shares in BMEx at A$0.20 per share, subject to additional shares being issued to the Corporation should BMEx not complete its planned initial public offering and listing on the Australian Securities Exchange by July 1, 2019 . Following a restructure of Adventus Ireland, the Corporation's subsidiary in Ireland, which will see the said properties being transferred to a new wholly owned subsidiary in Ireland ("NewCo"), the BMEx Transaction will be formalized in a share sale and purchase agreement with BMEx acquiring NewCo from Adventus, in return for shares in BMEx.