ADVENTUS ZINC CORPORATION

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

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ADVENTUS ZINC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(UNAUDITED) AS AT

(expressed in Canadian dollars)	Notes		September 30, 2018		December 31, 2017
ASSETS					
Current assets					
Cash and cash equivalents		$	11,353,057	$	10,784,319
Advances made on options to acquire mineral interests	7		123,001		681,561
Other receivables and prepaid expenses	7		177,553		255,170
Total current assets		$	11,653,611	$	11,721,050
Non-current assets					
Exploration and evaluation assets	8	$	2,664,795	$	3,491,369
Options to acquire mineral interests	8		14,152,772		3,117,192
Furniture, leasehold improvements and equipment			44,684		11,668
Investment in associate	6		4,298,438		-
Total non-current assets		$	21,160,689	$	6,620,229
TOTAL ASSETS		$	32,814,300	$	18,341,279
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	1,229,752	$	1,117,933
Total current liabilities		$	1,229,752	$	1,117,933
Equity					
Shareholders' equity		$	31,597,391	$	17,223,346
Non-controlling interest			(12,843)		-
Total equity		$	31,584,548	$	17,223,346
TOTAL LIABILITIES AND EQUITY		$	32,814,300	$	18,341,279

Commitments (Note 14)

On behalf of the Board (Approved on November 26, 2018)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Paul Sweeney"

Paul Sweeney, Director

ADVENTUS ZINC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(UNAUDITED)

(expressed in Canadian dollars, except per share amounts)	Notes	For the three months ended September 30, 2018		For the three months ended September 30, 2017		For the nine months ended September 30, 2018		For the nine months ended September 30, 2017
Expenses and other income								
General and administrative	9	$	673,230	$	442,292	$	1,779,454	$ 1,527,766
Share-based compensation	10		156,824		148,473		503,287	381,787
Generative exploration			338,083		-		463,881	6,907
Exploration and evaluation assets abandoned or impaired	8		-		-		161,072	-
Depreciation			8,490		799		21,984	2,397
Foreign exchange loss (gain)			266,166		1,550		(200,839)	3,877
Interest income			(50,813)		-		(95,393)	-
Other income	8		(800,000)		-		(800,000)	-
Gain on disposal of investments	5		(3,136,175)		-		(3,136,175)	-
Share of loss in associates	6		35,647		-		35,647	-
		$	(2,508,548)	$	593,114	$	(1,267,082)	$ 1,922,734
Earnings/(Loss) before income taxes			2,508,548	$	(593,114)	$	1,267,082	$ (1,922,734)
Income tax expense			-		-		-	-
Net earnings/(loss)		$	2,508,548	$	(593,114)	$	1,267,082	$ (1,922,734)
Net earnings/(loss) attributable to:								
Common shareholders			2,513,234		(593,114)		1,278,206	(1,922,734)
Non-controlling interest			(4,686)		-		(11,124)	-
		$	2,508,548	$	(593,114)	$	1,267,082	$ (1,922,734)
Net earnings/(loss) per share								
Basic and diluted		$	0.04	$	(0.01)	$	0.02	$ (0.04)
Weighted average number of shares								
Basic and diluted			68,557,747		45,570,015		60,850,929	44,712,872

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

(UNAUDITED)

(expressed in Canadian dollars)	Notes	For the three months ended September 30, 2018	2017	For the nine months ended September 30, 2018	2017
Net earnings/(loss)		$ 2,508,548	$ (593,114)	$ 1,267,082	$ (1,922,734)
Other comprehensive gain/(loss), net of tax					
To be reclassified subsequently to profit or loss:					
Foreign currency translation adjustment on foreign operations		2,902	(12,183)	7,277	(8,466)
Total comprehensive earnings/(loss)		$ 2,511,450	$ (605,297)	$ 1,274,359	$ (1,931,200)
Net earnings/(loss) attributable to:					
Common shareholders		2,515,950	(605,297)	1,285,327	(1,931,200)
Non-controlling interest		(4,500)	-	(10,968)	-
		$ 2,511,450	$ (605,297)	$ 1,274,359	$ (1,931,200)

Condensed Consolidated Statements of Cash Flows
(Unaudited)

(expressed in Canadian dollars)	For the nine months ended September 30, 2018	2017
Operating activities		
Net earnings/(loss)	$ 1,267,082	$ (1,922,734)
Adjustments for non-cash and non-operating activities:		
Depreciation	21,984	2,397
Share-based compensation	503,287	381,787
Generative exploration	463,881	6,907
Exploration and evaluation assets abandoned or impaired	161,072	-
Gain on disposal of investment in subsidiary	(3,162,075)	-
Share of loss in associates	35,647	-
Unrealized exchange gain/(loss)	(204,495)	-
	$ (913,617)	$ (1,531,643)
Changes in non-cash operating working capital:		
Other receivables and prepaid expenses	76,703	93,922
Accounts payable and accrued liabilities	(245,637)	(322,324)
	$ (168,934)	$ (228,402)
Cash used in operating activities	$ (1,082,551)	$ (1,760,045)
Investing activities		
Generative exploration	(463,881)	(6,907)
Exploration and evaluation assets, net of recoveries	(194,409)	(1,682,237)
Acquisition of furniture, leasehold improvements and equipment	(46,636)	(6,391)
Options to acquire mineral interests	(6,890,658)	-
Investment in subsidiary	1,032	-
Cash used in investing activities	$ (7,594,552)	$ (1,695,535)
Financing activities		
Net proceeds from issuance of shares	9,161,518	2,203,446
Cash provided by financing activities	$ 9,161,518	$ 2,203,446
Net increase (decrease) in cash	484,415	(1,252,134)
Effect of foreign exchange on cash and cash equivalents	84,323	(8,466)
Cash, beginning of period	10,784,319	7,934,425
Cash and cash equivalents, end of period	$ 11,353,057	$ 6,673,825
Cash and cash equivalents consist of:		
Deposits with banks	2,252,006	6,573,825
Short term deposits	9,101,051	100,000
Cash and cash equivalents, end of period	$ 11,353,057	$ 6,673,825

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

ADVENTUS ZINC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

(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		6,000,000	3,000,000	-	-	-	-	3,000,000	-	3,000,000
Share issuance costs		-	(796,555)	-	-	-	-	(796,555)	-	(796,555)
Brokers' warrants		-	(42,772)	-	42,772	-	-	-	-	-
Share-based compensation	10	-	-	381,787	-	-	-	381,787	-	381,787
Net loss and comprehensive loss		-	-	-	-	(8,466)	(1,922,734)	(1,931,200)	-	(1,931,200)
Balance, September 30, 2017		45,570,015	11,172,058	388,639	42,772	(8,387)	(2,225,023)	9,370,059	-	9,370,059
Shares issued under private placement		11,363,637	10,000,001	-	-	-	-	10,000,001	-	10,000,001
Share issuance costs		-	(488,159)	-	-	-	-	(488,159)	-	(488,159)
Brokers' warrants		-	(40,893)	-	40,893	-	-	-	-	-
Share-based compensation		-	-	225,207	-	-	-	225,207	-	225,207
Net earnings/(loss) and comprehensive earnings/(loss)		-	-	-	-	20,304	(1,904,066)	(1,883,762)	-	(1,883,762)
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	11	10,266,925	9,240,233	-	-	-	-	9,240,233	-	9,240,233
Shares issued to acquire options in mineral rights	8	3,804,348	3,423,913	-	-	-	-	3,423,913	-	3,423,913
Share issuance costs		-	(78,715)	-	-	-	-	(78,715)	-	(78,715)
Share-based compensation	10	-	-	503,287	-	-	-	503,287	-	503,287
Acquisition of Dos Gemas	4	-	-	-	-	-	-	-	(1,875)	(1,875)
Net earnings/(loss) and comprehensive earnings/(loss)		-	-	-	-	7,121	1,278,206	1,285,327	(10,968)	1,274,359
Balance, September 30, 2018		71,004,925	$ 33,228,438	$ 1,117,133	$ 83,665	$ 19,038	$ (2,850,883)	$ 31,597,391	$ (12,843)	$ 31,584,548

The accompanying notes form an integral part of these consolidated financial statements.

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 which include the Rathkeale and Lismore projects located in Ireland. It is 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 condensed financial statements were authorized for issue by the Board on November 26, 2018.

2. BASIS OF PRESENTATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* using the same accounting policies and methods of computation as the Corporation's most recent annual consolidated financial statements, except as described in Note 3. These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017, which 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 condensed financial statements have been prepared using the accrual basis of accounting. All amounts are expressed in Canadian dollars, unless otherwise stated. Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period.

Going concern

These condensed consolidated financial statements have been prepared on a going concern basis. The Corporation reported net earnings attributable to common shareholders of $1,278,206 for the nine months ended September 30, 2018. (September 30, 2017: loss of $1,922,734). The ability to continue operations in the normal course of business is dependent on several factors, including the Corporation's ability to secure funding.

As at September 30, 2018, the Corporation has more than $11 million in cash and cash equivalents, with over $10 million in working capital. However, 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. Management continues to explore all available options to secure funding, including equity financing and strategic partnerships. 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 11).

These condensed 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 earnings/(loss) and comprehensive earnings/(loss) that might be necessary if the Corporation was unable to continue as a going concern.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies, judgments and estimates applied in the Corporation's condensed consolidated financial statements are consistent with those of the annual consolidated financial statements as at and for the year ended December 31, 2017, except as noted below.

These condensed consolidated financial statements include all subsidiaries in the accounts of the Corporation as follows:

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

(a) Deconsolidation on disposal of a subsidiary

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 income 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.

(b) Furniture, leasehold improvement and equipment

Furniture, leasehold improvement and equipment is recorded at cost less accumulated depreciation and impairment loss, if any, and is amortized at the following rates:

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

(c) Investment in associates

Investments 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 income is included in the Corporation's other comprehensive income.

(d) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONTINUED)

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	Loans and receivables	Amortized cost
Other receivables	Loans and receivables	Amortized cost
Advances made on options to acquire mineral interests	Loans and receivables	Amortized cost
Options to acquire mineral interests	Fair value through profit and loss (FVTPL)	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities	Other financial liabilities

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 condensed 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.

Future accounting pronouncements

IFRS 16 – Leases: This standard was issued by the IASB on January 13, 2016, and will replace IAS 17 "Leases". 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 new standard is effective for annual periods beginning on or after January 1, 2019. The Corporation is continuing to assess the impact of this standard but does not believe there will be any material impact.

4. ACQUISITION AND OPTIONS TO EARN-IN

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. There was no cost of acquisition and on reorganization of Dos Gemas, there were no assets in Dos Gemas, hence no allocation of purchase price was needed.

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.

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. 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.

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

4. ACQUISITION AND OPTIONS TO EARN-IN (CONTINUED)

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.

5. 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.

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 previous two quarters, 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 quarter the Corporation recognized the benefit of certain tax assets not previously recognized and as a result has reported no net tax provision.

6. INVESTMENT IN ASSOCIATES

Pursuant to the Canstar Transaction, the Corporation owns approximately 39% 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 cost of $4,334,085. See Note 5 above.

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

6. INVESTMENT IN ASSOCIATES (CONTINUED)

		Canstar
Balance, July 1, 2018	$	-
Additions		4,334,085
Share of loss in associates		(35,647)
Balance, September 30, 2018	$	4,298,438

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 two months ended		September 30, 2018
Balance Sheets		
Current assets	$	991,524
Current liabilities		(260,271)
Non-current assets		8,262,882
Non-current liabilities		(351,252)
Statement of Earnings/(Losses)		
Revenue		-
Net loss and comprehensive loss	$	(91,502)

7. ADVANCES, OTHER RECEIVABLES AND PREPAID EXPENSES

Advances represent amounts in relation to the option to acquire mineral interests that have been advanced to Salazar for project expenditures in Curipamba but have not been spent. The advance is non-interest bearing. Other receivables include sales tax recoverable from the government, deposits paid to suppliers, and other prepared expenses.

		September 30, 2018		December 31, 2017
Advances made on options to acquire mineral interests	$	123,001	$	681,561
Total advances	$	123,001	$	681,561
Sales tax receivables	$	35,711	$	150,503
Other receivables		60,624		-
Deposits with suppliers		15,360		78,883
Other prepaid expenses		65,858		25,784
Total other receivables and prepaid expenses	$	177,553	$	255,170

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

8. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTERESTS

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

Project	As at Dec 31, 2017	Additions, net of recoveries	Abandoned or impaired	Effect of foreign currency exchange movements	Disposed	As at Sep 30, 2018
Ireland						
Rathkeale Limerick	$ 1,464,123	$ 477,915	$ -	$ (26,757)	$ -	$ 1,915,281
Shrule	132,700	9,378	(146,224)	4,146	-	-
Kingscourt	138,173	-	-	(295)	-	137,878
Lismore Waterford	507,470	32,771	-	(2,615)	-	537,626
Fermoy	8,814	20,282	-	(558)	-	28,538
Gaine River	2,820	1,529	(4,411)	62	-	-
Moyvore	7,470	2,779	(10,437)	188	-	-
Charleville	-	20,075	-	(431)	-	19,644
Millstreet	-	26,400	-	(572)	-	25,828
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	$ 533,339	$ (161,072)	$ (26,832)	$ (1,172,009)	$ 2,664,795
Curipamba	$ 3,117,192	$ 6,664,627	$ -	$ 165,194	$ -	$ 9,947,013
Pijilí	-	2,926,494	-	(4,370)	-	2,922,124
Santiago	-	1,283,928	-	(293)	-	1,283,635
Total options to acquire mineral interests	$ 3,117,192	$ 10,875,049	$ -	$ 160,531	$ -	$ 14,152,772

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

8. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTERESTS (CONTINUED)

Project	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

The Corporation acquires exploration and evaluation assets through staking and from third party vendors. In addition, the Corporation may sell some or a portion of its exploration and evaluation to third parties in exchange for exploration expenditures, royalty interests, cash, and share-based payments.

During the nine months ended September 30, 2018, the Corporation applied for and was granted mineral exploration licenses for Charleville and Millstreet concessions. At the time of the application, the Corporation decided to relinquish 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.

During the nine months ended September 30, 2018, the Corporation invested $6,664,627 in the option to earn into the entity that holds the Curipamba mining interest. As at September 30, 2018, the Corporation had funded a cumulative amount of US$7,701,126 of the US$25,000,000 Qualifying Project Expenditures required over five years, into the option in Curipamba.

During the nine months ended September 30, 2018, pursuant to the Pijilí Agreement with Salazar on March 28, 2018, the Corporation invested $2,926,494 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 September 30, 2018, a total of US$514,497 of the US$1,000,000 Pijilí Expenditures have been funded by the Corporation for the Pijilí project.

During the nine months ended September 30, 2018, pursuant to the Santiago Agreement with Salazar on May 22, 2018, the Corporation invested $1,283,928 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 September 30, 2018, a total of US$110,456 of the US$500,000 Santiago Expenditures have been funded by the Corporation for the Santiago project.

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

8. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTERESTS (CONTINUED)

On July 17, 2018, concurrent with the Offering (note 11), 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 three and nine months ended September 30, 2018.

As of September 30, 2018, the Corporation has included in its accounts payable an amount of $56,858 attributable to exploration and evaluation asset expenditures as well as expenditures for the options to acquire mineral interests. (December 31, 2017: $226,933).

9. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the September months ended June 30, 2018	For the September months ended June 30, 2017
Salaries and benefits	$ 367,765	$ 208,608	$ 983,697	$ 853,761
Office and administrative	141,861	54,568	405,272	137,372
Professional and consulting fees	163,604	179,116	390,485	536,633
Total general and administrative	$ 673,230	$ 442,292	$ 1,779,454	$ 1,527,766

10. SHARE-BASED COMPENSATION

On January 31, 2018, the Corporation granted 100,000 options to a director under the Corporation's stock option plan. The fair value of the options was estimated on the date of grant to be $0.96 using the Black-Scholes option pricing model with the following assumptions:

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

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

During the nine months ended September 30, 2018, the Corporation recorded share-based compensation expense of $503,287 (September 30, 2017: $381,787) relating to stock options to employees and directors which vested in the period.

11. SHARE CAPITAL

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 4).

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

12. RELATED PARTY TRANSACTIONS

Compensation for key management personnel and directors for the three and nine months ended September 30, 2018 and 2017 is as follows:

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Salaries and benefits	$ 427,934	$ 208,608	$ 997,630	$ 853,731
Share-based compensation	156,824	148,473	503,287	381,787
	$ 584,758	$ 357,081	$ 1,500,917	$ 1,235,518

During the nine months ended September 30, 2018, the Corporation incurred charges of $21,556 (September 30, 2017: $340,997) 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 nine months ended September 30, 2018, the Corporation charged Altius Minerals Corporation an amount of $15,571 for its share of office rental as well as a deposit of $1,707. As at September 30, 2018 the amounts included in accounts payable and accrued liabilities are $11,579 (December 31, 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 nine months ended September 30, 2018, the Corporation charged Canstar an amount of $4,860 for its share of office rental as well as a deposit of $1,706. As at September 30, 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.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation has classified its financial instruments as follows:

As at September 30, 2018	FVTPL	Amortised cost	Other liabilities	Total
Financial Assets				
Cash and cash equivalents	$ -	$ 11,353,057	$ -	$ 11,353,057
Other receivables	-	96,335	-	96,335
Advances made on options to acquire mineral interests	-	123,001	-	123,001
Options to acquire mineral interests	14,152,772	-	-	14,152,772
Total Financial Assets	$ 14,152,772	$ 11,572,393	$ -	$ 25,725,165
Financial Liabilities				
Accounts payable and accruals	-	-	1,229,752	1,229,752
Total Financial Liabilities	$ -	$ -	$ 1,229,752	$ 1,229,752

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

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at December 31, 2017	FVTPL	Amortised cost	Other liabilities	Total
Financial Assets				
Cash and cash equivalents	$ -	$ 10,784,319	$ -	$ 10,784,319
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	$ 11,616,383	$ -	$ 14,733,575
Financial Liabilities				
Accounts payable and accruals	-	-	1,117,933	1,117,933
Total Financial Liabilities	$ -	$ -	$ 1,117,933	$ 1,117,933

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.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are included in the annual consolidated financial statements for the year ended December 31, 2017.

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 September 30, 2018, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the United States dollar:

	September 30, 2018	December 31, 2017
Cash	$ 1,493,288	$ 2,533,768
Other receivables & prepaid expenses	35,898	-
Advances paid for option to acquire mineral rights	123,001	681,561
Option to acquire mineral rights	10,728,859	3,117,192
Accounts payable and accruals	(496,002)	(124,726)
Net asset exposure	$ 11,885,044	$ 6,207,795

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

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 September 30, 2018, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

		September 30, 2018		December 31, 2017
Cash	$	52,836	$	52,414
Other receivables & prepaid expenses		15,360		64,451
Accounts payable and accruals		(17,489)		(230,115)
Net asset exposure	$	50,707	$	(113,250)

14. 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 $52,570 by December 31, 2019 and $146,445 by December 31, 2020 to maintain various licenses in good standing.

Operating lease

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

		Amount
2018	$	37,413
2019		149,654
Total commitments	$	187,067

Contractual obligations

The Corporation has certain royalty obligations on its properties. This includes a 2% 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 September 30, 2018, an aggregate amount of US$250,000 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.