ADVENTUS MINING CORPORATION

(FORMERLY ADVENTUS ZINC CORPORATION)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Independent Auditor's Report

To the Shareholders of Adventus Mining Corporation

Opinion

We have audited the consolidated financial statements of Adventus Mining Corporation (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, 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, 2019 and 2018, 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 $6.4 million and $1.7 million for the years ended December 31, 2019 and December 31, 2018. 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 24, 2020

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Consolidated Statements of Financial Position
As at December 31,

(expressed in Canadian dollars)	Notes		2019		2018
ASSETS					
Current assets					
Cash and cash equivalents		$	12,847,250	$	6,769,641
Advances made on options to acquire mineral interests	9		48,670		55,001
Other receivables and prepaid expenses	9		494,748		225,047
Total current assets		$	13,390,668	$	7,049,689
Non-current assets					
Exploration and evaluation assets	10	$	12,116,285	$	2,798,123
Options to acquire mineral interests	10		25,014,369		19,095,404
Property, plant and equipment			254,983		36,487
Investment in associate	7		780,135		1,386,907
Other investment	8		240,043		-
Total non-current assets		$	38,405,815	$	23,316,921
TOTAL ASSETS		$	51,796,483	$	30,366,610
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	888,021	$	1,665,108
Total current liabilities		$	888,021	$	1,665,108
Equity					
Shareholders’ equity	14	$	48,981,571	$	28,724,245
Non-controlling interest			1,926,891		(22,743)
Total equity		$	50,908,462	$	28,701,502
TOTAL LIABILITIES AND EQUITY		$	51,796,483	$	30,366,610

Commitments (Note 18)

Subsequent events (Note 20)

On behalf of the Board (Approved on April 24, 2020)

/s/ “Christian Kargl-Simard”

Christian Kargl-Simard, Director

/s/ “Paul Sweeney”

Paul Sweeney, Director

ADVENTUS

CONSOLIDATED STATEMENTS OF LOSS
FOR THE YEAR ENDED DECEMBER 31,

(expressed in Canadian dollars)	Notes		2019		2018
Expenses and other income					
General and administrative	11	$	3,036,309	$	2,555,101
Share-based compensation	14(b)(c)		699,089		626,359
General exploration	12		429,265		522,251
Exploration and evaluation assets abandoned or impaired	10		373,103		161,072
Impairment loss on investment in associate	7		419,295		2,895,994
Depreciation			21,002		30,181
Foreign exchange loss (gain)			1,381,301		(1,039,500)
Interest income			(167,186)		(137,493)
Other income	10		-		(800,000)
Loss (gain) on disposal of investments	8		50,676		(3,136,175)
Share of loss in associate	7		187,477		51,184
			6,430,331		1,728,974
Loss before income taxes			(6,430,331)		(1,728,974)
Income tax expense			-		-
Net loss		$	(6,430,331)	$	(1,728,974)
Net loss attributable to:					
Common shareholders			(6,413,263)		(1,708,937)
Non-controlling interest			(17,068)		(20,037)
		$	(6,430,331)	$	(1,728,974)
Net loss per share					
Basic and diluted	14(e)	$	(0.07)	$	(0.03)
Weighted average number of shares					
Basic and diluted	14(e)		86,075,923		63,410,293

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

(expressed in Canadian dollars)	Notes		2019		2018
Net loss		$	(6,430,331)	$	(1,728,974)
Other comprehensive gain (loss)					
To be reclassified subsequently to profit or loss					
Foreign currency translation adjustment on foreign operations			5,787		(2,785)
Total comprehensive loss		$	(6,424,544)	$	(1,731,759)
Total comprehensive loss attributable to:					
Common shareholders			(6,408,414)		(1,710,891)
Non-controlling interest			(16,130)		(20,868)
		$	(6,424,544)	$	(1,731,759)

Consolidated Statements of Cash Flows
For the Years ended December 31,

(expressed in Canadian dollars)		2019		2018
Operating activities				
Net loss	$	(6,430,331)	$	(1,728,974)
Adjustments for non-cash and non-operating activities:				
Depreciation		21,002		30,181
Share-based compensation		699,089		626,359
General exploration		429,265		522,251
Exploration and evaluation assets abandoned or impaired		373,103		161,072
Gain on disposal of investment in subsidiary		(30,570)		(3,162,075)
Impairment loss on investments		419,295		2,895,994
Share of loss in associate		187,477		51,184
Unrealized exchange (gain) loss		1,392,066		(1,045,722)
	$	(2,939,604)	$	(1,649,730)
Changes in non-cash operating working capital:				
Other receivables and prepaid expenses		(269,701)		29,209
Accounts payable and accrued liabilities		(297,950)		(15,409)
	$	(567,651)	$	13,800
Cash used in operating activities	$	(3,507,255)	$	(1,635,930)
Investing activities				
General exploration		(429,265)		(522,251)
Exploration and evaluation assets		(378,763)		(482,585)
Acquisition of property, plant and equipment		(5,498)		(55,000)
Options to acquire mineral interests		(15,330,021)		(10,576,263)
Disposal of assets		(81,716)		-
Investment in subsidiary		-		(1,032)
Cash used in investing activities	$	(16,225,263)	$	(11,637,131)
Financing activity				
Net proceeds from issuance of shares (See Note 14(a))		25,449,145		9,161,518
Issuance of common shares on exercise of options and warrants		517,506		-
Cash provided by financing activity	$	25,966,651	$	9,161,518
Net increase (decrease) in cash		6,234,133		(4,111,543)
Effect of foreign exchange on cash and cash equivalents		(156,524)		96,865
Cash and cash equivalents, beginning of year		6,769,641		10,784,319
Cash and cash equivalents, end of year	$	12,847,250	$	6,769,641
Cash and cash equivalents consist of:				
Deposits with banks		2,674,440		652,604
Short term deposits		10,172,810		6,117,037
Cash and cash equivalents, end of year	$	12,847,250	$	6,769,641

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, 2018		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)(c)	-	-	626,359	-	-	-	626,359	-	626,359
Non-controlling interest of Dos Gemas	6	-	-	-	-	-	-	-	(1,875)	(1,875)
Net loss		-	-	-	-	-	(1,708,937)	(1,708,937)	(20,037)	(1,728,974)
Other comprehensive loss		-	-	-	-	(1,954)	-	(1,954)	(831)	(2,785)
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
Shares issued under private placement	14(a)	28,055,916	26,345,384	-	-	-	-	26,345,384	-	26,345,384
Share issuance costs	14(a)	-	(896,239)	-	-	-	-	(896,239)	-	(896,239)
Exercise of options	14(b)	1,200,000	489,488	(189,488)	-	-	-	300,000	-	300,000
Exercise of brokers' warrants	14(d)	333,530	295,523	-	(78,017)			217,506		217,506
Expiry of brokers' warrants	14(d)	-	-	5,648	(5,648)	-	-	-	-	-
Share-based compensation	14(b)(c)	-	-	699,089	-	-	-	699,089	-	699,089
Non-controlling interest of Llaktawayku and Guayacan	6	-	-	-	-	-	-	-	1,965,764	1,965,764
Net loss		-	-	-	-	-	(6,413,263)	(6,413,263)	(17,068)	(6,430,331)
Other comprehensive gain		-	-	-	-	4,849	-	4,849	938	5,787
Balance, December 31, 2019		100,594,371	$ 59,462,594	$ 1,755,454	$ -	$ 14,812	$ (12,251,289)	$ 48,981,571	$ 1,926,891	$ 50,908,462

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

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Adventus Mining Corporation ("Adventus" or "the Corporation"), formerly Adventus Zinc 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 trades on the OTCQX under the symbol ADVZF. On June 12, 2019, following approval by the shareholders, the Corporation changed its name to Adventus Mining Corporation, to better reflect its focus on copper-gold exploration and development in Ecuador.

The Corporation's consolidated financial statements were authorized for issue by the Board on April 24, 2020.

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, 2019.

As at December 31, 2019, the Corporation has $12.8 million in cash and cash equivalents, with $12.5 million in working capital (2018: $5.4 million). The Corporation reported net loss attributable to common shareholders of $6,413,263 for the year ended December 31, 2019 (2018: $1,708,937). 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 interests 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 activities 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 August 7 and August 9, 2019, the Corporation closed a brokered private placement (the "2019 Brokered Placement") for gross proceeds of $14,261,300. See Note 14(a). On May 22, 2019, the Corporation closed a non-brokered private placement (the "Nobis Placement") for gross proceeds of $12,084,084 with Consorcio Nobis ("Nobis"), a private business group in Ecuador, as lead investor. See Note 14(a). On July 17, 2018, the Corporation closed a non-brokered private placement (the "Wheaton Placement") for gross proceeds of $9,240,233 with Wheaton Precious Metals Corp. as lead investor. However, there is no assurance that these 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 statements of loss, 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
Guayacán Gold GGC S.A.	80%	Ecuador	Mineral exploration
Llaktawayaku 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.

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
- 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Corporation classifies the option 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 reporting date 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 lifetime expected credit losses without requiring a triggering event to occur.

(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) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment loss, if any, and is amortized using the straight-line method over the following useful lives:

Furniture, equipment and vehicles	3-10 years
Leasehold improvement	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) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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) *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.

(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, Llaktawayku and Guayacán Gold 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

The Corporation's Share Compensation Plan includes stock options ("Options") and restricted share units ("RSUs"). Each RSU represents a unit with the underlying value equal to the value of one common share of the Corporation, vests over a specified period of service in accordance with the plan and can be equity or cash settled at the discretion of the Corporation. Options and RSUs are granted to employees, directors and non-employees and are accounted for using the fair value method. The compensation cost for Options granted is determined based on the estimated fair value of the 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 the contributed surplus account. When Options are exercised, the contributed surplus and the proceeds received by the Corporation are credited to share capital. RSUs are valued at the share price prevailing at the time of grant.

(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*

IFRS 16 – Leases: This standard was issued by the IASB on January 13, 2016 and replaced IAS 17 "Leases". The new standard was effective for annual periods beginning on or after January 1, 2019 and brings most leases on-balance sheet for lessees under a single accounting model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged. As a lessee, the Corporation would have recognized for any lease under IFRS 16:

(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 statements of loss; 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 has applied the practical expedient under IFRS 16 and will recognize a lease expense on a straight-line basis.

The Corporation has adopted IFRS 16 effective January 1, 2019 with no material effect on these consolidated financial statements.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

Amendment to *IFRS 3 – Business Combinations:* Narrow-scope amendments to IFRS 3 were issued by the IASB in October 2018 to clarify the definition of a business and provides guidance in determining whether an acquisition is a business combination or a combination of a group of assets. The amendments, which are effective for annual periods on or after January 1, 2020, emphasizes that the output of a business is to provide goods and services to customers and provides supplementary guidance. The Corporation does not expect any material impact on applying these amendments.

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.

5. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

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.

(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. The recognition or not of deferred tax assets requires judgment in determining if it is more likely than not that sufficient taxable profits will be available in the future against which the reversal of temporary difference can be deducted.

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

Investment in Dos Gemas Company M2G S.A., Guayacán Gold GGC S.A. and Llaktawayaku S.A.

On February 19, 2018, the Corporation signed the Alliance Agreement with Salazar, with Dos Gemas M2G S.A. ("Dos Gemas") being the vehicle for any exploration projects that Adventus and Salazar agree to bring into the Alliance. Dos Gemas is owned 80% by Adventus and 20% by Salazar.

In 2018, Adventus and Salazar signed agreements (the "Pijilí Agreement", the "Santiago Agreement" and collectively, the "Pijilí and Santiago Agreements") to add the Pijilí and Santiago projects into Dos Gemas. Pijilí and Santiago projects are exploration projects owned by Salazar, and pursuant to these agreements, Salazar granted the Corporation options for Dos Gemas to acquire the full interest in Pijilí and Santiago through entities that hold the projects, subject to certain conditions, which include issuance of common shares, cash payments and exploration expenditure commitments.

With all the required exploration expenditures under the Pijilí and Santiago Agreements fulfilled, the Santiago Agreement and the Pijilí Agreement were completed on July 29, 2019 and August 19, 2019 respectively, (the "Transfer Dates") with the final closing payments of US$25,000 and US$50,000 made to Salazar. On the respective Transfer Date, the obligations of Adventus under these agreements were complete and Adventus earned the right for Salazar to transfer the two projects and the entities that hold them to its 80% owned Dos Gemas. As at December 31, 2019, Guayacán Gold GGC S.A. ("GGC") and Llaktawayaku S.A. ("LLAK") had been transferred as wholly owned subsidiaries of Dos Gemas. GGC legally owns the Santiago property and application to legally transfer the Pijilí property to LLAK had been made and is expected to be approved by the second quarter of 2020. The Corporation determined that on the Transfer Dates, namely, July 29, 2019 and August 19, 2019 for Santiago and Pijilí respectively, the Corporation had acquired the ability to control GGC and LLAK and hence include these two subsidiaries in its consolidation, converting the options into mineral properties and other assets using the fair value of the options on the respective Transfer Date.

7. INVESTMENT IN ASSOCIATE

Adventus Newfoundland Corporation ("Adventus NL"), a wholly-owned subsidiary of the Corporation, holds various properties in the province of Newfoundland and Labrador. On July 30, 2018, the Corporation disposed of Adventus NL and the Newfoundland Properties to Canstar Resources Ltd. ("Canstar") (TSX-V: ROX) in exchange for common shares of Canstar. Pursuant to the Canstar Transaction, the Corporation owns approximately 38.96% of Canstar's voting rights and 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.

As the common share price of Canstar has declined significantly and based on management's assessment of the status of the underlying projects and related funding requirements, an impairment of $419,295 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, 2019. The Corporation currently holds 17,336,339 shares in Canstar at a carrying value of $780,135.

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

7. INVESTMENT IN ASSOCIATE (CONTINUED)

		Canstar
Balance, January 1, 2018	$	-
Additions		4,334,085
Share of loss in associate		(51,184)
Impairment loss on investment		(2,895,994)
Balance, December 31, 2018	$	1,386,907
Share of loss in associate		(187,477)
Impairment loss on investment		(419,295)
Balance, December 31, 2019	$	780,135

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	Year ended December 31, 2019		Six months ended December 31, 2018
Balance Sheets			
Current assets	64,857	$	664,539
Current liabilities	(154,947)		(338,201)
Non-current assets	7,902,029		8,684,791
Non-current liabilities	-		-
Revenue	-		-
Net loss and comprehensive loss	1,247,150	$	136,330

8. INVESTMENTS

Adventus Zinc Ireland Limited ("Adventus Ireland"), a wholly-owned subsidiary of the Corporation, holds various properties in Ireland. In January 2019, the Board approved the plan to sell Lismore Waterford, Fermoy, Charleville and Millstreet (the "SW Irish Properties").

On February 7, 2019, the Corporation announced that it has entered into a non-binding heads of agreement with BMEx Limited ("BMEx"), a private exploration company in Australia with properties in Australia and Ireland, to divest the SW Irish Properties in exchange for common shares in BMEx (the "BMEx Transaction"). In March 2019, the Corporation and BMEx agreed to exclude Fermoy from the BMEx Transaction with no change in other terms.

Following a restructure of Adventus Ireland in July 2019, which saw the SW Irish Properties except Fermoy being transferred to a new wholly owned subsidiary in Ireland ("NewCo"), the BMEx Transaction closed on July 26, 2019 with the signing of an Investment and Cooperation Agreement ("ICA") with BMEx pursuant to which BMEx acquired NewCo from Adventus in return for 2,650,000 common shares in BMEx. This is subject to additional BMEx shares being issued to the Corporation should BMEx not complete its planned initial public offering ("IPO") and listing on the Australian Securities Exchange by December 1, 2019. The planned IPO did not take place and BMEx is currently contemplating alternative forms of financing. Pursuant to the ICA, BMEx issued an additional 397,500 common shares to the Corporation on January 22, 2020.

The fair value of the BMEx shares issued on closing, which was the underlying fair value for the SW Irish Properties, has been measured at A$0.10 per share, being the price of the last private financing for BMEx. As the carrying costs at June 30, 2019 exceeded the fair value less selling costs, an impairment expense of C$373,103 was charged against the profit or loss of the Corporation in the quarter ended June 30, 2019. During the three months ended September 30, 2019, further costs to sell were incurred, and an amount of $50,676 was recorded as loss on disposal of investments. As at December 31, 2019, the carrying cost of the investment in BMEx is C$240,043.

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, 2019	December 31, 2018
Advances made on options to purchase mineral interests	$ 48,670	$ 55,001
Total advances	$ 48,670	$ 55,001
Sales tax receivables	$ 83,190	$ 59,981
Interest and other receivables	242,251	58,399
Deposits with suppliers	39,613	-
Other prepaid expenses	129,694	106,667
Total other receivables and prepaid expenses	$ 494,748	$ 225,047

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, 2018	Additions	Abandoned or impaired	Effect of foreign currency exchange movements	Disposed	As at Dec 31, 2019
Ireland						
Rathkeale Limerick	$ 2,002,721	$ 20,494	$ -	$ (131,917)	$ -	$ 1,891,298
Kingscourt	143,322	13,177	-	(9,322)	-	147,177
Lismore Waterford	572,804	-	(343,815)	(23,319)	(205,670)	-
Fermoy	30,483	-	-	(2,010)	-	28,473
Charleville	21,182	-	(12,714)	(864)	(7,604)	-
Millstreet	27,611	-	(16,574)	(1,122)	(9,915)	-
Ecuador						
Pijilí	-	7,384,547	-	(66,804)	-	7,317,743
Santiago	-	2,739,669	-	(8,075)	-	2,731,594
Total mineral properties	$ 2,798,123	$ 10,157,887	$ (373,103)	$ (243,433)	$ (223,189)	$ 12,116,285
Curipamba	$ 13,742,967	$ 12,170,705	$ -	$ (899,303)	$ -	$ 25,014,369
Pijilí	4,000,582	1,811,095	-	(33,139)	(5,778,538)	-
Santiago	1,351,855	746,887	-	(14,225)	(2,084,517)	-
Total options to acquire mineral interests	$ 19,095,404	$ 14,728,687	$ -	$ (946,667)	$ (7,863,055)	$ 25,014,369

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

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

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

During the year ended December 31, 2019, the Corporation invested $12,170,705 (2018: $9,814,885) in the option to earn into the entity that holds the Curipamba mining interest. As at December 31, 2019, the Corporation had funded a cumulative amount of US$18,951,174 (2018: 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. On July 17, 2018, concurrent with the Wheaton Placement (See 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.

In 2019, the Corporation fully earned into the Pijilí and Santiago Projects and converted the options in the entities into mineral interests in Pijilí and Santiago at $5,778,538 and $2,084,517 respectively. The carrying values of the Pijilí and Santiago Projects on December 31, 2019 are $7,317,743 and $2,731,594 respectively. See Note 6.

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. See Note 7. The carrying values of the Newfoundland properties as at December 31, 2019 is $Nil (2018: $Nil).

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 2018, for an amount of $161,072.

On July 26, 2019, the Corporation closed the BMEx Transaction and divested of the Lismore Waterford, Charleville and Millstreet. See Note 8.

As of December 31, 2019, the Corporation has included in its accounts payable an amount of $274,023 attributable to exploration and evaluation asset expenditures as well as expenditures for the options to acquire mineral interests. (2018: $992,060).

11. GENERAL AND ADMINISTRATIVE EXPENSES

(expressed in Canadian dollars)		2019		2018
Salaries and benefits	$	1,512,167	$	1,438,090
Professional and consulting fees		818,370		551,935
Office and administrative		705,772		565,076
Total general and administrative	$	3,036,309	$	2,555,101

12. GENERAL EXPLORATION

In 2019, the Corporation invested in Ecuador, making an advance payment of US$250,000 to Salazar pursuant to the Option Agreement in Curipamba (2018: US$250,000) as well as spending US$47,818 (2018: US$117,245) in the Exploration Alliance. (See Note 18).

(expressed in Canadian dollars)		2019		2018
Curipamba	$	329,950	$	327,450
Exploration Alliance		63,519		182,438
Others		35,796		12,363
Total general exploration	$	429,265	$	522,251

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)		2019		2018
Income (loss) before income taxes	$	(6,430,331)	$	(1,728,974)
Income tax expense (recovery) computed at the Canadian statutory rate		(1,704,038)		(458,178)
Different statutory tax rate applicable to foreign subsidiaries		25,834		37,038
Net permanent difference		1,768,239		216,144
Net movement in unrecognized temporary differences		(90,035)		204,996
Income tax expense (recovery)	$	-	$	-

As of December 31, 2019, the Corporation has non-capital losses and gross net deductible temporary differences of $12,918,573 (2018: $6,333,267) 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 non-capital losses and unrecognized net deductible temporary differences:

Item	Country		Amount	Expiry Date
Non-capital losses	Canada	$	9,100,015	2036 - 2039
Non-capital losses	Ireland		673,886	No expiry
Non-capital losses	Ecuador		168,464	2023 - 2024
Net temporary differences	Canada		2,899,543	No expiry
Net temporary differences	Ecuador		76,665	No expiry
Income tax expense (recovery)		$	12,918,573	

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 August 7 and August 9, 2019, the Corporation closed a brokered private placement (the "2019 Brokered Placement") for gross proceeds of $14,261,300 pursuant to an underwriting agreement dated August 7, 2019 among the Corporation and a syndicate of various underwriters. Pursuant to the 2019 Brokered Placement, the Corporation issued 14,261,300 common shares of the Corporation at $1.00 per share. On closing, the Corporation paid the underwriters a fee equal to 1% of the gross proceeds up to $3,000,000 in respect of purchasers identified on the President's List and 6% of the remaining gross proceeds. A total of $652,613 in commissions was paid. Other share issue costs of $168,986 have been recorded against the carrying value of the common shares.

On May 22, 2019, the Corporation closed the Nobis Placement pursuant to which the Corporation issued 13,794,616 common shares of the Corporation at $0.876 per share, for aggregate gross proceeds of $12,084,084. Nobis was the largest participant in the Nobis Placement and owned 9.9% of the Corporation's common shares after the closing. It was granted the right to appoint a director to the Board as well as the right to participate in future equity offerings so that it can maintain its pro rata ownership at the time of such offering. Share issue costs of $74,641 have been recorded against the carrying value of the 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 $9,240,233. 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. See Note 6.

In 2019, 1,200,000 and 333,530 common shares were respectively issued on the exercise of stock options (See Note 14(b)) and brokers' warrants (See Note 14(d)).

(b) Stock Options

The Corporation's Share Compensation Plan includes stock options ("Options") and restricted share units ("RSUs"). Directors, officers, employees and consultants 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.

The following table summarizes the Corporation's stock option plan as of December 31, 2019 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, 2018	4,400,000	$	0.54
Granted	100,000		0.96
Options outstanding, December 31, 2018	4,500,000		0.55
Granted	2,650,000		0.96
Forfeited	(400,000)		0.78
Exercised	(1,200,000)		0.25
Balance as at December 31, 2019	5,550,000	$	0.80

14. SHAREHOLDERS' EQUITY (CONTINUED)

During the year ended December 31, 2019, the Corporation recorded share-based compensation expense of $565,475 (2018: $626,359) relating to stock options vested in the period.

The weighted-average fair value of stock options granted during 2019 was estimated on the dates of grant to be $0.62 using the Black-Scholes option pricing model with the following assumptions:

	2019	2018
Expected life (years)	5.0	5.0
Risk-free interest rate (%)	1.60	2.08
Expected volatility (%)	80	79
Expected dividend yield (%)	-	-

During the year ended December 31, 2019, 1,200,000 stock options were exercised (2018: Nil) with a weighted average share price of $1.11 on the exercise date (2018: N/A).

Stock options outstanding and exercisable as at December 31, 2019 and 2018 are as follows:

Range of exercise prices ($/option)	Number, outstanding at December 31, 2019	Number, exercisable at December 31, 2019	Weighted Average Remaining contractual life (years)
$0.00 - $0.50	1,050,000	1,050,000	1.97
$0.51 - $1.00	3,600,000	1,466,667	3.32
$1.01 - $1.50	900,000	-	4.53
Balance as at December 31, 2019	5,550,000	2,516,667	3.26

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 - $0.50	2,250,000	1,500,001	2.97
$0.51 - $1.00	2,250,000	716,666	3.45
Balance as at December 31, 2018	4,500,000	2,216,667	3.21

(c) RSUs

Each RSU represents a unit with the underlying value equal to the value of one common share of the Corporation, vests over a specified period of service in accordance with the plan and can be equity or cash settled at the discretion of the Corporation. RSUs are granted to employees, directors and non-employees and are accounted for using the share price on the date of grant.

The following table summarizes the Corporation's RSUs as of December 31, 2019 and changes during the periods then ended:

(expressed in Canadian dollars, except per share amounts)	Number of RSUs
Options outstanding, January 1, 2018	-
Granted	-
Options outstanding, December 31, 2018	-
Granted	655,000
Balance as at December 31, 2019	655,000

During the year ended December 31, 2019, the Corporation granted 655,000 RSUs with a weighted average grant date fair value of $1.05, and recorded share-based compensation expense of $133,614 (2018: $NIL) relating to RSUs vested to employees and directors in the period.

14. SHAREHOLDERS' EQUITY (CONTINUED)

(d) Brokers' Warrants

A summary of the number of common shares reserved pursuant to the Corporation's outstanding warrants at December 31, 2019 and 2018 and the movement during the years ended December 31, 2019 and 2018 are as follows:

(expressed in Canadian dollars, except per share amounts)	Number of Warrants		Weighted Average Exercise Price
Warrants outstanding as at January 1, 2018	354,925		0.67
Granted	-		-
Warrants outstanding as at December 31, 2018	354,925		0.67
Exercised	(333,530)		0.65
Expired unexercised	(21,395)		0.88
Balance as at December 31, 2019	-	$	-

(e) 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.

	2019	2018
Weighted average number of shares		
Basic and diluted	86,075,923	63,410,293

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, 2019 and 2018 is as follows:

(expressed in Canadian dollars)		2019		2018
Salaries and benefits	$	1,744,690	$	1,610,364
Share-based compensation		592,503		626,359
	$	2,337,193	$	2,236,723

For the year ended December 31, 2019, an amount of $354,820 (2018: $313,948) of salaries and benefits of key management personnel were charged to exploration and evaluation assets and to the options to acquire mineral interests in Ecuador.

During the years ended December 31, 2019 and 2018, the Corporation incurred charges of $NIL (2018: $29,193) from Altius Minerals Corporation and/or its subsidiaries for management fees, technical consulting and exploration related expenses. In 2019, the Corporation charged Altius Minerals Corporation an amount of $24,114 (2018: $21,740) for its share of office rental. As at December 31, 2019 the amounts included in accounts payable and accrued liabilities are $NIL (2018: $8,782) and the amounts included in accounts receivable is $NIL. (December 31, 2018: $NIL).

During the year ended December 31, 2019, the Corporation charged Canstar an amount of $13,075 (2018: $7,712) for its share of office rental. As at December 31, 2019 the amounts included in accounts receivable is $9,282 (December 31, 2018: $1,706).

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 statements of financial position 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, 2019 (expressed in Canadian dollars)	**FVTPL**	**Amortized Cost**	**Total**
Financial Assets			
Short-term deposits	$ 10,172,810	$ -	$ 10,172,810
Other receivables	-	325,441	325,441
Advances made on options to acquire mineral interests	-	48,670	48,670
Options to acquire mineral interests	25,014,369	-	25,014,369
Other investment	240,043	-	240,043
Total Financial Assets	$ 35,427,222	$ 374,111	$ 35,801,333
Financial Liabilities			
Accounts payable and accruals	-	888,021	888,021
Total Financial Liabilities	$ -	$ 888,021	$ 888,021

As at December 31, 2018 (expressed in Canadian dollars)	**FVTPL**	**Amortized Cost**	**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	$ 25,212,441	$ 173,381	$ 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)

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

As at December 31, 2019 (expressed in Canadian dollars)	Level 1	Level 2	Level 3	Total
Financial Assets				
Short-term deposits	$ 10,172,810	$ -	$ -	$ 10,172,810
Options to acquire mineral interests	-	-	25,014,369	25,014,369
Other investment	-	-	240,043	240,043
Total Financial Assets	$ 10,172,810	$ -	$ 25,254,412	$ 35,427,222

As at December 31, 2018 (expressed in Canadian dollars)	Level 1	Level 2	Level 3	Total
Financial Assets				
Short-term deposits	$ 6,117,037	$ -	$ -	$ 6,117,037
Options to acquire mineral interests	-	-	19,095,404	19,095,404
Total Financial Assets	$ 6,117,037	$ -	$ 19,095,404	$ 25,212,441

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, 2019 and 2018 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.

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, 2019, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the United States dollar:

(expressed in Canadian dollars)	2019	2018
Cash	$ 1,589,213	$ 501,417
Other receivables & prepaid expenses	224,320	45,038
Advances paid for option to acquire mineral interests	48,670	30,820
Options to acquire mineral interests	25,014,369	15,671,490
Accounts payable and accruals	(89,444)	(928,950)
Net asset exposure	$ 26,787,128	$ 15,319,815

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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, 2019, the Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

(expressed in Canadian dollars)		2019		2018
Cash	$	114,407	$	6,389
Other receivables & prepaid expenses		270,428		10,820
Accounts payable and accruals		(169,681)		(60,893)
Net asset exposure	$	215,154	$	(43,684)

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.

Ireland

In Ireland, 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 $291,660 by December 31, 2020 and $433,845 by December 31, 2021 in Ireland to maintain various licenses in good standing.

Ecuador

In Ecuador, for concessions applied through the public tender process, an investment offer is presented for each concession, the offer of which represents the total amounts required to be spent in order to maintain possession of the concession area at the end of the four-year investment period. For concessions not acquired through the public tender process, the Corporation is required to submit an annual expenditure plan specifying its minimum amount of committed expenditures for the upcoming year.

Year ended December 31,		Acquired through public tender US$		Not acquired through public tender US$
2020	$	606,260	$	1,240,336
2021		1,525,686		-
	$	2,131,946	$	1,240,336

18. COMMITMENTS (CONTINUED)

Contractual obligations

The Corporation has the following royalty obligations on its properties:

Projects	Country	Royalty
Rathkeale	Ireland	2% Net Smelter Return ("NSR")
Kingscourt	Ireland	2% NSR
Kingscourt	Ireland	0.5% NSR – all but one licence
Fermoy	Ireland	2% NSR
Santiago	Ecuador	1.5% NSR – can be bought out for US$1,000,000
Santiago	Ecuador	4% net profits interest

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$1,750,000. Should the Option Agreement be terminated without the Option having been exercised, any such amounts of advance payment made will not be refundable.

The Corporation has acquired an artisanal mine at Pijilí and is committed to the remaining payments:

Year ended December 31,		Amount US$
2020	$	30,000
2021		30,000
2022		30,000
2023		20,000
Total commitments	$	110,000

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)		2019		2018
Ecuador	$	35,063,706	$	19,095,404
Ireland		2,066,948		2,798,123
	$	37,130,654	$	21,893,527

Total Assets (expressed in Canadian dollars)		2019		2018
Ecuador	$	35,431,118	$	19,171,791
Ireland		2,451,783		2,815,332
Canada		13,913,582		8,379,487
	$	51,796,483	$	30,366,610

20. SUBSEQUENT EVENTS

(a) South32 Earn-In

On January 13, 2020, Adventus Mining Corporation, entered into an earn-in agreement (the "South32 Agreement") with South32 Base Metals Ireland Limited ("South32 Ireland"), a wholly-owned subsidiary of South32 Limited ("South32"), to advance the Rathkeale, Kingscourt and Fermoy projects (the "Projects") in the Limerick Basin in the Republic of Ireland. The Projects are 100%-owned by Adventus through its wholly-owned subsidiary, Adventus Ireland. The South32 Agreement grants South32 Ireland the right to acquire a 70% interest in the Projects by sole funding €3,500,000 in exploration on the Projects over a four-year period. Adventus Ireland will operate the exploration activities during the earn-in period. On March 24, 2020, Adventus Ireland received approval for the earn-in agreement and funding arrangements from the Department of Communications, Climate and Environment in the Republic of Ireland. Adventus and South32 commenced the exploration program with the first technical committee meeting to approve the 2020 work plan in late March of 2020.

(b) Granting of options and RSUs

On February 4, 2020, the Corporation granted 500,000 stock options exercisable at $0.86 per option and 147,500 RSUs to employees of the Corporation. The options have an exercise price of $0.86 and an expiry date of February 4, 2025 and vest over three years. The RSUs vest at the end of 24 months.

(c) COVID-19 outbreak

On March 11, 2020, World Health Organization declared the outbreak of the novel coronavirus, COVID-19, a global pandemic. This has impacted the global economy with numerous countries imposing restrictions on travel and mobility to help “flatten the curve” of new infections. This includes the countries where the Corporation operates. The Corporation is committed to provide safe and healthy work environments for its employees, contractors and the communities in which it operates and suspended all its site activities at the Curipamba, Pijilí and Santiago projects as well as in Ireland, while the offices work remotely where possible. Adventus and Salazar agreed that the feasibility study earn-in requirement of October 5, 2021 on the El Domo deposit will be delayed by the number of days that site activities are shut down for commencing March 17, 2020. At this time, it is not certain when the activities can be restarted nor is it possible to estimate the financial impact of COVID-19.