ADVENTUS ZINC CORPORATION

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018

Table of Contents

(expressed in Canadian dollars)	Notes	March 31, 2019	December 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents		$ 2,040,092	$ 6,769,641
Advances made on options to acquire mineral	8	64,080	55,001
Other receivables and prepaid expenses	8	260,937	225,047
		2,365,109	7,049,689
Assets held for sale	6	597,271	-
Total current assets		$ 2,962,380	$ 7,049,689
Non-current assets			
Exploration and evaluation assets	7	$ 2,091,351	$ 2,798,123
Option to acquire mineral interests	7	22,715,415	19,095,404
Furniture, leasehold improvements and equipment		35,238	36,487
Investment in associate		1,341,853	1,386,907
Total non-current assets		$ 26,183,857	$ 23,316,921
TOTAL ASSETS		$ 29,146,237	$ 30,366,610
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 1,526,856	$ 1,665,108
Total current liabilities		$ 1,526,856	$ 1,665,108
Equity			
Shareholders' equity		$ 27,644,753	$ 28,724,245
Non-controlling interest		(25,372)	(22,743)
Total equity		$ 27,619,381	$ 28,701,502
TOTAL LIABILITIES AND EQUITY		$ 29,146,237	$ 30,366,610

Commitments (Note 15)

Subsequent events (Note 16)

On behalf of the Board (Approved on May 27, 2019)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Paul Sweeney"

Paul Sweeney, Director

(expressed in Canadian dollars, except per share amounts)	Notes	For the three months ended March 31, 2019	2018
Expenses and other income			
General and administrative	9	$ 726,608	$ 565,051
Share-based compensation	10	114,991	189,639
Generative exploration		17,844	112,789
Exploration and evaluation assets abandoned or impaired	7	-	161,072
Depreciation		6,747	5,190
Foreign exchange loss (gain)		408,575	(353,488)
Interest income		(14,735)	(24,890)
Share of loss in associate		45,054	-
		$ 1,305,084	$ 655,363
Loss before income taxes		(1,305,084)	(655,363)
Income tax expense		-	-
Net loss		$ (1,305,084)	$ (655,363)
Net loss attributable to:			
Common shareholders		(1,302,006)	(655,195)
Non-controlling interest		(3,078)	(168)
		$ (1,305,084)	$ (655,363)
Net loss per share			
Basic and diluted		$ (0.02)	$ (0.01)
Weighted average number of shares			
Basic and diluted		71,176,591	56,933,652

(expressed in Canadian dollars)	Notes		For the three months ended March 31, 2019		2018
Net loss		$	(1,305,084)	$	(655,363)
Other comprehensive gain (loss)					
To be reclassified subsequently to profit or loss:					
Foreign currency translation adjustment on foreign operations			7,972		2,181
Total comprehensive loss		$	(1,297,112)	$	(653,182)
Total comprehensive loss attributable to:					
Common shareholders			(1,294,483)		(652,981)
Non-controlling interest			(2,629)		(201)
		$	(1,297,112)	$	(653,182)

Adventus Zinc Corporation
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(expressed in Canadian dollars)	Notes		For the three months ended March 31, 2019		2018
Operating activities					
Net loss		$	(1,305,084)	$	(655,195)
Adjustments for operating activities:					
Depreciation			6,747		5,190
Share-based compensation	10		114,991		189,639
Generative exploration			17,844		112,789
Exploration and evaluation assets abandoned or impaired	7		-		161,072
Share of loss in associate			45,054		-
Unrealized exchange loss (gain)			411,308		(371,530)
		$	(709,140)	$	(558,035)
Changes in non-cash operating working capital:					
Other receivables and prepaid expenses			(35,890)		2,056
Accounts payable and accrued liabilities			134,033		(390,045)
		$	98,143	$	(387,989)
Cash used in operating activities		$	(610,997)	$	(946,024)
Investing activities					
Generative exploration			(17,844)		(112,789)
Exploration and evaluation assets, net of recoveries			-		(344,436)
Acquisition of furniture, leasehold improvements and equipment			(5,498)		(43,028)
Option to purchase mineral interests			(4,178,507)		(1,595,216)
Investment in subsidiary			-		1,032
Cash used in investing activities		$	(4,201,849)	$	(2,094,437)
Financing activities					
Issuance of common shares on exercise of warrants			100,000		-
Cash provided by financing activities		$	100,000	$	-
Net decrease in cash			(4,712,846)		(3,040,461)
Effect of foreign exchange on cash and cash equivalents			(16,703)		92,283
Cash, beginning of period			6,769,641		10,784,319
Cash and cash equivalents, end of period		$	2,040,092	$	7,836,141
Cash and cash equivalents consist of:					
Deposits with banks			622,490		7,735,490
Short term deposits			1,417,602		100,651
Cash and cash equivalents, end of period		$	2,040,092	$	7,836,141

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 31, 2018		56,933,652	$ 20,643,007	$ 613,846	$ 83,665	$ 11,917	$ (4,129,089)	$ 17,223,346	$ -	$ 17,223,346
Acquisition of Dos Gemas	4	-	-	-	-	-	-	-	(1,875)	(1,875)
Share-based compensation	10	-	-	189,639	-	-	-	189,639	-	189,639
Net loss		-	-	-	-	-	(655,195)	(655,195)	(168)	(655,363)
Comprehensive loss		-	-	-	-	2,214	-	2,214	(33)	2,181
Balance, March 31, 2018		56,933,652	$ 20,643,007	$ 803,485	$ 83,665	$ 14,131	$ (4,784,284)	$ 16,760,004	$ (2,076)	$ 16,757,928
Shares issued under private placement		10,266,925	9,240,233	-	-	-	-	9,240,233	-	9,240,233
Shares issued to acquire options in mineral rights		3,804,348	3,423,913	-	-	-	-	3,423,913	-	3,423,913
Share issuance costs		-	(78,715)	-	-	-	-	(78,715)	-	(78,715)
Share-based compensation		-	-	436,720	-	-	-	436,720	-	436,720
Net loss		-	-	-	-	-	(1,053,742)	(1,053,742)	(19,868)	(1,073,610)
Comprehensive loss		-	-	-	-	(4,168)	-	(4,168)	(799)	(4,967)
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
Exercise of brokers' warrants		200,000	142,771	-	(42,771)	-	-	100,000	-	100,000
Share-based compensation	10	-	-	114,991	-	-	-	114,991	-	114,991
Net loss		-	-	-	-	-	(1,302,006)	(1,302,006)	(3,078)	(1,305,084)
Comprehensive loss		-	-	-	-	7,523	-	7,523	449	7,972
Balance, March 31, 2019		71,204,925	$ 33,371,209	$ 1,355,196	$ 40,894	$ 17,486	$ (7,140,032)	$ 27,644,753	$ (25,372)	$ 27,619,381

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

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

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

The Corporation's condensed financial statements were authorized for issue by the Board on May 27, 2019.

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, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated financial statements have been prepared on a historical cost basis. Additionally, these condensed 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.

These condensed consolidated financial statements have been prepared on a going concern basis. The Corporation reported net loss attributable to common shareholders of $1,302,006 for the three months ended March 31, 2019. (March 31, 2018: $655,195). 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 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. Note 16(a). 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 lead investor. However, there is no assurance that this can be replicated in a timely manner. As such, management believes that there are material uncertainties that exist that may cast significant doubt upon the Corporation's ability to operate as a going concern. Management continues to explore all available options to secure funding, including equity financing and strategic partnerships. Should the Corporation not be able to secure financing in a timely manner, the Corporation will curtail exploration spending and defer discretionary expenditures to conserve cash.

These 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 loss and comprehensive 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, 2018, except as noted below.

These condensed 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 M2G S.A.	80%	Ecuador	Mineral exploration

(a) *Non-current assets held for sale*

Non-current assets are classified as assets held for sale if it is highly probable that their carrying value will be recovered principally through a sale transaction rather than through continuing use.

The assets and liabilities are presented as held for sale in the consolidated statement of financial position when the sale is highly probable, the assets are available for immediate sale in their present condition and management is committed to the sale, and it is expected that the sale will be completed within one year from the date of classification.

Assets held for sale are measured at the lower of the carrying value and fair value less cost of disposal. Impairment losses recognized on initial classification as held for sale and any subsequent gains or losses on re-measurement are recognized in the statement of income or loss. Results of operations and any gain or loss from disposal are excluded from income or loss and are reported separately as income.

(b) *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. The Corporation has recognized

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

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

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

For short-term leases with lease term of 12 months or less, and for leases of low-value assets, the Corporation has opted to 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 condensed consolidated financial statements.

4. ACQUISITION AND OPTION TO EARN-IN

Investment in Minera Dos Gemas M2G S.A.and the Pijilí and Santiago projects

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.

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

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

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.

As of March 31, 2019, the common shares had been issued, all the required exploration expenditures had been fulfilled and it is expected that the final payments of US$50,000 and US$25,000 respectively for Pijilí and Santiago will be made in the second or third quarter of 2019 and the transfer to Dos Gemas will then be completed.

5. INVESTMENT IN ASSOCIATE

The Corporation owns approximately 38.96% of common shares in Canstar Resources Inc. ("Canstar") and accounts for its investment in Canstar using the equity method.

		Canstar
Balance, January 1, 2018	$	-
Additions		4,334,085
Share of loss in associates		(51,184)
Impairment loss on investment		(2,895,994)
Balance, December 31, 2018	$	1,386,907
Share of loss in associates		(45,054)
Balance, March 31, 2019	$	1,3841,853

Ownership percentage (December 31, 2018)	38.96%
Ownership percentage (March 31, 2019)	38.96%

6. ASSETS HELD FOR SALE

Adventus Zinc Ireland Limited ("Adventus Ireland"), a wholly-owned subsidiary of the Corporation, holds various properties in Ireland. In January 2018, the Board approved the plan to sell Lismore, Fermoy, Charleville and Milltown (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, to divest the SW Irish Properties in exchange for common shares in BMEx (the "BMEx Transaction"). Pursuant to the BMEx Transaction, the Corporation will receive 2,650,000 common shares in BMEx at A$0.20 per share, subject to additional shares being issued to the Corporation should BMEx not complete its planned initial public offering and listing on the Australian Securities Exchange by July 1, 2019. Following a restructure of Adventus Ireland, which will see the SW Irish Properties being transferred to a new wholly owned subsidiary in Ireland ("NewCo"), the BMEx Transaction will be formalized in a share sale and purchase agreement with BMEx acquiring NewCo from Adventus, in return for shares in BMEx. In March 2019, the Corporation and BMEx agreed to exclude Fermoy from the Transaction with no change in other terms.

As the SW Irish Properties are available for immediate sale in their present condition, management is committed to the sale, and it is expected that the Transaction will close within twelve months, the assets and liabilities of the SW Irish Properties, excluding those of Fermoy, are presented as held for sale, and the assets are to be measured at the lower of carrying value and fair value less cost of disposal. The fair value of the BMEx shares to be issued on closing, which is the underlying fair value for the SW Irish Properties, cannot reliably be measured at March 31, 2019. As a result, the assets and liabilities of the SW Irish Properties are presented at the carrying value as at March 31, 2019 and are expected to be adjusted once the fair value can be determined upon closing or when reliably determinable.

		As at March 31, 2019
Exploration and evaluation assets		597,271
Total assets held for sale	$	597,271

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

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

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

Project	As at Dec 31, 2018	Additions, net of recoveries	Abandoned or impaired	Effect of foreign currency exchange movements	Reclassified to held for sale (Note 6)	As at Mar 31, 2019
Ireland						
Rathkeale Limerick	$ 2,002,721	$ -	$ -	$ (78,374)	$ -	$ 1,924,347
Kingscourt	143,322	-	-	(5,608)	-	137,714
Lismore Waterford	572,804	-	-	(22,418)	(550,386)	-
Fermoy	30,483	-	-	(1,193)	-	29,290
Charleville	21,182	-	-	(829)	(20,353)	-
Millstreet	27,611	-	-	(1,079)	(26,532)	-
Total mineral properties	$ 2,798,123	$ -	$ -	$ (109,501)	$ (597,271)	$ 2,091,351
Curipamba	$ 13,742,967	$ 2,394,387	$ -	$ (257,262)	$ -	$ 15,880,092
Pijilí	4,000,582	870,379	-	(16,990)	-	4,853,971
Santiago	1,351,855	631,967	-	(2,470)	-	1,981,352
Total options to acquire mineral interests	$ 19,095,404	$ 3,896,733	$ -	$ (276,722)	$ -	$ 22,715,415

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

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

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

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 three months ended March 31, 2019, the Corporation invested $2,394,387 (March 31, 2018: $1,923,688) in the option to earn in the entity that holds the Curipamba mining interest. As at March 31, 2019, the Corporation had funded a cumulative amount of US$11,883,627 (March 31, 2018: US$3,863,649) of the US$25,000,000 Qualifying Project Expenditures required over five years to earn the option in Curipamba.

During the three months ended March 31, 2019, the Corporation invested $870,379 (March 2018: $128,940) and $631,967 (March 2018: $Nil) respectively into Pijilí and Santiago. As at March 31, 2019, the Corporation had invested US$1,924,240 and US$628,637 (March 2018: US$131,411 and US$Nil) respectively into Pijilí and Santiago, thereby satisfying the exploration expenditures for both projects. The Corporation expects to pay the remaining US$50,000 and US$25,000 respectively in the coming quarters to fully earn in its rights to transfer the projects into Dos Gemas.

As of March 31, 2019, the Corporation has included in its accounts payable an amount of $468,552 attributable to exploration and evaluation asset expenditures as well as expenditures for the option to acquire mineral interest. (December 31, 2018: $322,071).

8. 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. No interest is receivable on the advances. Other receivables include, interest receivable, sales tax recoverable from the government and other prepaid expenses.

		March 31, 2019		December 31, 2018
Advances made for option to purchase mineral interests	$	64,080	$	55,001
Total advances	$	64,080	$	55,001
Sales tax receivables	$	70,049	$	59,981
Interest and other receivables		91,142		58,399
Other prepaid expenses		99,746		106,667
Total other receivables and prepaid expenses	$	260,937	$	225,047

9. GENERAL AND ADMINISTRATIVE EXPENSES

Three months ended March 31,		2019		2018
Salaries and benefits	$	234,924	$	299,637
Professional and consulting fees		292,896		133,095
Office and administrative		198,788		132,319
Total general and administrative	$	726,608	$	565,051

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

10. SHARE-BASED COMPENSATION

On January 31, 2019, the Corporation granted 500,000 options to a director and an officer under the Corporation's stock option plan. The fair value of the options was estimated on the date of grant to be $0.49 using the Black-Scholes option pricing model with the following assumptions:

	2019
Expected life (years)	5.0
Risk-free interest rate (%)	1.9
Expected volatility (%)	78
Expected dividend yield (%)	-

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

During the three months ended March 31, 2019, the Corporation recorded share-based compensation expense of $114,991 (March 31, 2018: $189,639) relating to stock options to employees and directors which vested in the period.

11. SHARE CAPITAL AND WARRANT EXERCISE

In January 2019, 200,000 common shares were issued as a result of brokers' warrants being exercised with an exercise price of $0.50 per share for gross proceeds of $100,000. Fair value amount of $42,771 attributable to these brokers' warrants was transferred from the warrant reserve and recorded against share capital.

12. RELATED PARTY TRANSACTIONS

Compensation for key management personnel and directors for the three months ended March 31, 2019 and 2018 is as follows:

Three months ended March 31,		2019		2018
Salaries and benefits	$	299,194	$	365,310
Share-based compensation		114,991		189,639
	$	414,185	$	554,949

For the three months ended March 31, 2019, an amount of $86,191 (March 31, 2018: 65,672) of salaries and benefits of key management personnel were charged to the options to acquire mineral interest in Ecuador.

During the three months ended March 31, 2019, the Corporation incurred charges of $Nil (March 31, 2018: $8,370) from Altius Minerals Corporation and/or its subsidiaries for management fees, technical consulting and exploration related expenses. As from March 1, 2018, the Corporation is sharing its office with Altius Minerals Corporation and during the three months ended March 31, 2019, the Corporation charged Altius Minerals Corporation an amount of $6,030 (March 31, 2018: $1,545) for its share of office rental as well as a deposit of $1,707. As at March 31, 2018 the amounts included in accounts payable and accrued liabilities are $Nil (December 31, 2018: $8,782), and the amounts included in accounts receivable is $Nil. (December 31, 2018: $Nil)

Since September 1, 2018, the Corporation has been sharing its office with Canstar and during the three months ended March 31, 2019, the Corporation charged Canstar an amount of $4,525 for its share of office rental as well as a deposit of $1,706. As at March 31, 2019 the amounts included in accounts receivable is $3,050 (December 31, 2018: $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.

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

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation has classified its financial instruments as follows:

As at March 31, 2019		FVTPL		Amortised cost		Other liabilities		Total
Financial Assets								
Short-term deposits	$	-	$	1,417,602	$	-	$	1,417,602
Other receivables		-		161,191		-		161,191
Advances made on option to acquire mineral interests		-		64,080		-		64,080
Option to acquire mineral interests[1]		22,715,415		-		-		22,715,415
Total Financial Assets	$	22,715,415	$	1,642,873	$	-	$	24,358,288
Financial Liabilities								
Accounts payable and accruals		-		-		1,526,856		1,526,856
Total Financial Liabilities	$	-	$	-	$	1,526,856	$	1,526,856

Note 1: Until reliably measurable, this is measured at cost

As at December 31, 2018		FVTPL		Amortised cost		Other liabilities		Total
Financial Assets								
Short-term deposits	$	-	$	6,117,037	$	-	$	6,117,037
Other receivables		-		118,380		-		118,380
Advances made on option to acquire mineral interests		-		55,001		-		55,001
Options to acquire mineral interests[1]		19,095,404		-		-		19,095,404
Total Financial Assets	$	19,095,404	$	6,290,418	$	-	$	25,385,822
Financial Liabilities								
Accounts payable and accruals		-		-		1,665,108		1,665,108
Total Financial Liabilities	$	-	$	-	$	1,665,108	$	1,665,108

Note 1: Until reliably measurable, this is measured at cost

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, 2018.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 March 31, 2019. The Corporation is exposed to currency risk through the following assets and liabilities denominated in the United States dollar:

	March 31, 2019	December 31, 2018
Cash	$ 170,377	$ 501,417
Other receivables & prepaid expenses	70,252	45,038
Advances paid for option to acquire mineral rights	7,924	30,820
Options to acquire mineral rights	19,291,502	15,671,490
Accounts payable and accruals	(891,337)	(928,950)
Net asset exposure	$ 18,648,718	$ 15,319,815

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 March 31, 2019. The Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

	March 31, 2019	December 31, 2018
Cash	$ 26,224	$ 6,389
Other receivables & prepaid expenses	3,420	10,820
Accounts payable and accruals	(65,193)	(60,893)
Net asset exposure	$ (35,549)	$ (43,684)

14. 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)	March 31, 2019	March 31, 2018
Ecuador	$ 22,715,415	$ 5,314,802
Ireland	2,091,351	2,685,296
	$ 24,806,766	$ 8,000,098

Total Assets (expressed in Canadian dollars)	March 31, 2019	March 31, 2018
Ecuador	$ 22,789,355	$ 5,559,460
Ireland	2,718,267	2,942,079
Canada	3,638,615	9,093,875
	$ 29,146,237	$ 17,595,414

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

15. 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, in order 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, post a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $66,258 by December 31, 2019 and $33,129 by December 31, 2020 in order to maintain various licenses in good standing.

Operating lease

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

		Amount
2019		109,798
Total commitments	$	109,798

Contractual obligations

The Corporation has certain royalty obligations on its properties. This includes a 2% NSR royalty on the Newfoundland Projects pursuant to the Newfoundland Royalty Agreement dated November 16, 2016 and 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.

Under the Pijilí and Santiago Agreements, the Corporation shall pay to Salazar US$50,000 and US$25,000 respectively as the remainder of the cash consideration when all conditions to the Pijilí and Santiago Agreements have been satisfied.

16. SUBSEQUENT EVENTS

a) *Nobis financing*

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 lead participant with an investment of $7,375,388. With the Corporation's existing strategic shareholders with participation rights making up the remainder. As a result, Nobis owns 9.9% of the Corporation's common shares and has been granted the right to participate in any future equity offerings so that it can maintain its pro rata ownership of the Corporation at the time of any such offering, up to a maximum of 9.9% of the common shares of the Corporation, as long as Nobis holds 9.9% of the outstanding equity at the time of such an offering.

b) *Exercise of brokers' warrants*

On April 5, 2019, 13,090 brokers warrants were exercised for proceeds of $11,519.