AVRUPA MINERALS LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2019 AND 2018

(Unaudited)

Contents

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

	Note		September 30, 2019		December 31, 2018
			(Unaudited)		(Audited)
Assets					
Current assets					
Cash		$	12,037	$	106,288
Prepaid expenses and advances			15,181		66,008
Due from optionees	5		31,307		43,223
VAT receivables			23,907		22,308
Other receivables			115,600		123,837
			198,032		361,664
Non-current assets					
Property deposits	6		17,326		134,272
Exploration and evaluation assets	5		1,407,915		1,407,915
Equipment	4		20,853		34,107
			1,446,094		1,576,294
Total assets		$	1,644,126	$	1,937,958
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities			750,216		628,867
Accounts payable owed by optionees			31,307		43,223
Due to related parties	8		439,959		130,652
Current portion of long-term loan	9		6,793		7,031
			1,228,275		809,773
Non-current liabilities					
Long-term loan	9		11,602		18,096
			11,602		18,096
Equity					
Share capital	7		9,678,500		9,582,406
Reserves	7		6,747,912		6,675,064
Deficit			(16,022,163)		(15,147,381)
			404,249		1,110,089
Total equity and liabilities		$	1,644,126	$	1,937,958

Event after the reporting period (Note 15)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 27, 2019. They are signed on the Company's behalf by:

/s/Paul W. Kuhn
Director

/s/Mark T. Brown
Director

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Unaudited, Presented in Canadian Dollars)

	Note	Three months ended September 30 2019	Three months ended September 30 2018	Nine months ended September 30 2019	Nine months ended September 30 2018
Mineral exploration expenses					
Mineral exploration expenses	5	$ 20,939	$ 364,237	$ 543,317	$ 1,447,725
Reimbursements from optionees	5	-	(223,792)	-	(1,096,638)
		(20,939)	(140,445)	(543,317)	(351,087)
General administrative expenses					
Bank charges		460	895	1,456	3,658
Consulting		37,500	24,471	73,751	117,705
Investor relations		8,603	8,912	67,712	69,155
Listing and filing fees		104	107	7,283	8,791
Office and administrative fees		168	266	6,753	7,727
Professional fees		55,505	48,750	129,876	153,684
Rent		2,250	2,250	6,750	6,750
Share-based payment		-	-	9,369	141,124
Transfer agent fees		1,026	1,099	8,012	7,675
Travel		-	7,197	26,988	35,743
		(105,616)	(93,947)	(337,950)	(552,012)
Other items					
Foreign exchange gain (loss)		(34)	(5)	(314)	1,394
Interest income		15	23	120	884
Gain on disposal of equipment		(57)	-	6,679	-
Other income		-	-	-	23
		(76)	18	6,485	2,301
Net loss for the period		(126,631)	(234,374)	(874,782)	(900,798)
Exchange difference arising on the translation of foreign subsidiaries		13,526	(6,097)	28,246	(12,069)
Comprehensive loss for the period		$ (113,105)	$ (240,471)	$ (846,536)	$ (912,867)
Basic and diluted loss per share	10	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Presented in Canadian Dollars)

	Share capital			Reserves						
	Number of shares	Amount	Share subscription	Warrants	Finder's options	Equity-settled employee benefits	Exchange	Subtotal	Deficit	Total equity
Balance as at December 31, 2017 (Audited)	**86,918,797**	**$ 8,786,896**	**-**	**$ 4,674,092**	**$ 277,893**	**$ 1,147,979**	**$ 19,878**	**$ 6,119,842**	**$ (13,262,049)**	**$ 1,644,689**
Share issues:										
Shares issued for private placement	6,875,000	377,863	-	172,137	-	-	-	172,137	-	550,000
Share issue costs	-	(19,019)	-	-		-	-	-	-	(19,019)
Share-based payment	-	-	-	-	-	141,124	-	141,124	-	141,124
Comprehensive loss	-	-	-	-	-	-	(12,069)	(12,069)	(900,798)	(912,867)
Balance as at September 30, 2018 (Unaudited)	93,793,797	9,145,740	-	4,846,229	277,893	1,289,103	7,809	6,421,034	(14,162,847)	1,403,927
Share issues:										
Shares issued for private placements	14,640,000	473,491	-	258,509	-	-	-	258,509	-	732,000
Share issue costs	-	(36,825)	-	-	-	-	-	-	-	(36,825)
Comprehensive loss	-	-	-	-	-	-	(4,479)	(4,479)	(984,534)	(989,013)
Balance as at December 31, 2018 (Audited)	108,433,797	9,582,406	-	5,104,738	277,893	1,289,103	3,330	6,675,064	(15,147,381)	1,110,089
Share issues:										
Shares issued for private placement	2,000,000	64,767	-	35,233	-	-	-	35,233	-	100,000
Shares subscription	-	-	61,000	-	-	-	-	-	-	61,000
Share issue costs	-	(29,673)		-	-	-	-	-	-	(29,673)
Share-based payment	-	-		-	-	9,369	-	9,369	-	9,369
Comprehensive loss	-	-	-	-	-	-	28,246	28,246	(874,782)	(846,536)
Balance as at September 30, 2019 (Unaudited)	**110,433,797**	**$ 9,617,500**	**$ 61,000**	**$ 5,139,971**	**$ 277,893**	**$ 1,298,472**	**$ 31,576**	**$ 6,747,912**	**$ (16,022,163)**	**$ 404,249**

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Unaudited, Presented in Canadian Dollars)

	Note	Nine months ended September 30 2019	2018
Cash flows from operating activities			
Net loss for the period		$ (874,782)	$ (900,798)
Items not involving cash:			
(Gain) on disposal of equipment		(6,679)	-
Mineral exploration expenses		11,054	16,643
Share-based payment		9,369	141,124
Changes in non-cash working capital items:			
VAT receivables		(1,599)	2,985
Due from optionees		11,916	(3,455)
Prepaid expenses and advances		50,827	(2,756)
Other receivables		8,237	(288)
Accounts payable and accrued liabilities		117,730	13,925
Accounts payable owed by optionees		(11,916)	(35,930)
Due from/to related parties		286,007	80,986
Funds held for optionees		-	(146,058)
Exchange difference arising on the translation of foreign subsidiaries		28,555	(12,025)
Net cash (used in) operating activities		(371,281)	(845,647)
Cash flows from investing activities			
Net proceeds from sale of equipment		6,679	-
Property deposits		116,946	-
Purchase of equipment		(4,841)	(4,921)
Net cash provided by (used in) investing activities		118,784	(4,921)
Cash flows from financing activities			
Proceeds from issuance of common shares		100,000	550,000
Proceeds from share subscription		61,000	-
Share issue costs		(2,754)	(19,019)
Net cash provided by financing activities		158,246	530,981
Change in cash for the period		(94,251)	(319,587)
Cash, beginning of the period		106,288	350,704
Cash, end of the period		$ 12,037	$ 31,117
Cash comprised of:			
Cash		$ 12,037	$ 9,265
Restricted Cash		-	21,852
		$ 12,037	$ 31,117
Supplementary information:			
Interest received		$ 120	$ 884

Supplemental disclosure with respect to cash flows (Note 12)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Avrupa Minerals Ltd. (the "Company") was incorporated on January 23, 2008 under the Business Corporations Act of British Columbia and its registered office is 10th Floor, 595 Howe Street, Vancouver, BC, Canada, V6C 2T5. The Company changed its name on July 7, 2010 and began trading under the symbol "AVU" on the TSX Venture Exchange (the "Exchange") on July 14, 2010. On September 20, 2012, the Company listed in Europe on the Frankfurt Stock Exchange under the trading symbol "8AM". The Company is primarily engaged in the acquisition and exploration of mineral properties in Europe.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There are material uncertainties that cast significant doubt about the appropriateness of the going concern assumption.

If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional financing and while it has been successful in the past, there can be no assurance that it will be able to do so in the future. Failure to raise sufficient funds would result in the Company's inability to make future required property payments, which would result in the loss of those property options.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale, which are stated at fair value through other comprehensive income (loss). In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

(Unaudited, Presented in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2018.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2018. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine month period ended September 30, 2019 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2019.

4. EQUIPMENT

	Furniture and other equipment	Vehicles	Other assets	Total
Cost				
As at January 1, 2018	$ 119,629	$ 107,494	$ 22,465	$ 249,588
Additions during the year	178	-	-	178
Disposal during the year	-	(34,581)	-	(34,581)
Exchange adjustment	4,459	4,006	837	9,302
As at December 31, 2018	124,266	76,919	23,302	224,487
Disposal during the period	-	(32,292)	-	(32,292)
Exchange adjustment	(9,353)	(5,789)	(1,754)	(16,896)
As at September 30, 2019	$ 114,913	$ 38,838	$ 21,548	$ 175,299
Accumulated depreciation				
As at January 1, 2018	$ 97,927	$ 75,440	$ 20,104	$ 193,471
Depreciation for the year	12,305	10,291	1,200	23,796
Depreciation for the year related to disposals	-	(34,581)	-	(34,581)
Exchange adjustment	3,900	3,021	773	7,694
As at December 31, 2018	114,132	54,171	22,077	190,380
Depreciation for the period	2,644	7,532	878	11,054
Depreciation for the period related to disposals	-	(32,292)	-	(32,292)
Exchange adjustment	(8,677)	(4,327)	(1,692)	(14,696)
As at September 30, 2019	$ 108,099	$ 25,084	$ 21,263	$ 154,446
Net book value				
As at January 1, 2018	$ 21,702	$ 32,054	$ 2,361	$ 56,117
As at December 31, 2018	$ 10,134	$ 22,748	$ 1,225	$ 34,107
As at September 30, 2019	$ 6,814	$ 13,754	$ 285	$ 20,853

(Unaudited, Presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

	Portugal			Kosovo		Germany	Others	
	Alvito	**Alvalade**	**Others**	**Slivovo**	**Others**			**Total**
Exploration and evaluation assets								
Acquisition costs								
As of January 1, 2019	$ -	$ 167,920	$ 1,096,840	$ 143,155	$ -	$ -	$ -	$ 1,407,915
As of September 30, 2019	$ -	$ 167,920	$ 1,096,840	$ 143,155	$ -	$ -	$ -	$ 1,407,915
Mineral exploration expenses for the period ended September 30, 2019								
Concession fees and taxes	$ 15,505	$ 48,054	$ 10	$ -	$ 3,584	$ -	$ -	$ 67,153
Depreciation	1,684	7,158	2,212	-	-	-	-	11,054
Geological salaries and consulting	59,726	265,187	7,972	-	4,996	-	-	337,881
Insurance	123	3,775	3,203	-	218	-	-	7,319
Legal and accounting	19	138	-	-	140	-	-	297
Office and administrative fees	6,414	13,359	8,842	-	741	-	-	29,356
Rent	9,251	43,440	12,374	-	6,894	-	-	71,959
Site costs	1,164	11,301	734	-	287	-	-	13,486
Travel	109	4,616	23	-	64	-	-	4,812
	$ 93,995	$ 397,028	$ 35,370	$ -	$ 16,924	$ -	$ -	$ 543,317
Cumulative mineral exploration expenses since acquisition								
Assaying	$ -	$ -	$ -	$ 297,975	$ 65,936	$ 10,846	$ -	$ 374,757
Concession fees and taxes	147,983	359,915	545,708	9,998	206,995	4	-	1,270,603
Depreciation	7,199	17,216	91,543	-	-	-	-	115,958
Drilling	472,513	485,935	-	1,180,217	-	-	-	2,138,665
Geological salaries and consulting	1,625,144	6,652,614	4,692,365	119,801	683,019	12,359	-	13,785,302
Geology work	-	-	32,377	891,582	402,515	223,619	140,906	1,690,999
Insurance	5,684	24,193	46,447	14,604	15,008	-	-	105,936
Legal and accounting	177	660	1,067	58,158	13,855	-	-	73,917
Office and administrative fees	43,734	248,824	242,456	80,149	101,109	5,255	63,191	784,718
Rent	188,853	535,831	408,158	28,694	88,258	-	20,560	1,270,354
Report	-	-	-	24,232	-	-	-	24,232
Site costs	71,459	190,015	172,929	185,074	194,584	-	8,865	822,926
Travel	75,625	236,317	171,652	60,107	22,478	-	15,326	581,505
Trenching and road work	-	-	-	34,339	-	-	-	34,339
Reimbursements from optionee	(2,149,344)	(7,402,160)	(2,741,482)	(2,834,986)	(45,158)	-	-	(15,173,130)
	$ 489,027	$ 1,349,360	$ 3,663,220	$ 149,944	$ 1,748,599	$ 252,083	$ 248,848	$ 7,901,081

(Unaudited, Presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

	Portugal				Kosovo		Germany	Others	
	Alvito	Alvalade	Covas	Others	Slivovo	Others			Total
Exploration and evaluation assets									
Acquisition costs									
As of January 1, 2018	$ -	$ 167,920	$ -	$ 1,096,840	$ 143,155	$ -	$ -	$ -	$ 1,407,915
As of December 31, 2018	$ -	$ 167,920	$ -	$ 1,096,840	$ 143,155	$ -	$ -	$ -	$ 1,407,915
Mineral exploration expenses for the year ended December 31, 2018									
Concession fees and taxes	$ 30,425	$ 46,595	$ -	$ 861	$ -	$ 1,622	$ -	$ -	$ 79,503
Depreciation	-	10,058	-	13,738	-	-	-	-	23,796
Drilling	472,513	485,935	-	-	-	-	-	-	958,448
Geological salaries and consulting	459,193	182,622	4,930	113,737	-	70,432	-	-	830,914
Geology work	-	-	-	-	-	-	-	15,592	15,592
Insurance	1,240	1,811	-	2,279	-	-	-	-	5,330
Legal and accounting	-	226	-	239	-	215	-	-	680
Office and administrative fees	5,400	35,292	839	22,755	-	1,676	-	4,313	70,275
Rent	66,513	62,112	3,107	51,433	-	14,125	-	138	197,428
Site costs	25,777	17,587	550	16,419	-	697	-	-	61,030
Travel	18,418	5,981	3,472	3,823	-	1,041	-	555	33,290
Reimbursements from optionee	(1,079,479)	(32,371)	(12,898)	(64,904)	-	-	-	-	(1,189,652)
	$ -	$ 815,848	$ -	$ 160,380	$ -	$ 89,808	$ -	$ 20,598	$ 1,086,634
Cumulative mineral exploration expenses since acquisition									
Assaying	$ -	$ -	$ -	$ -	$ 297,975	$ 65,936	$ 10,846	$ -	$ 374,757
Concession fees and taxes	132,478	311,861	197,339	348,359	9,998	203,411	4	-	1,203,450
Depreciation	5,515	10,058	-	89,331	-	-	-	-	104,904
Drilling	472,513	485,935	-	-	1,180,217	-	-	-	2,138,665
Geological salaries and consulting	1,565,418	6,387,427	2,094,650	2,589,743	119,801	678,023	12,359	-	13,447,421
Geology work	-	-	-	32,377	891,582	402,515	223,619	140,906	1,690,999
Insurance	5,561	20,418	10,550	32,694	14,604	14,790	-	-	98,617
Legal and accounting	158	522	130	937	58,158	13,715	-	-	73,620
Office and administrative fees	37,320	235,465	26,160	207,454	80,149	100,368	5,255	63,191	755,362
Rent	179,602	492,391	52,175	343,609	28,694	81,364	-	20,560	1,198,395
Report	-	-	-	-	24,232	-	-	-	24,232
Site costs	70,295	178,714	58,205	113,990	185,074	194,297	-	8,865	809,440
Travel	75,516	231,701	60,210	111,419	60,107	22,414	-	15,326	576,693
Trenching and road work	-	-	-	-	34,339	-	-	-	34,339
Reimbursements from optionee	(2,149,344)	(7,402,160)	(2,433,097)	(308,385)	(2,834,986)	(45,158)	-	-	(15,173,130)
	$ 395,032	$ 952,332	$ 66,322	$ 3,561,528	$ 149,944	$ 1,731,675	$ 252,083	$ 248,848	$ 7,357,764

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

Portugal

The Company, through its 100% holding in MAEPA Empreendimentos Mineiros e Participacoes Lda ("MAEPA"), holds four exploration licenses in Portugal. The licenses have been issued to MAEPA by the government of Portugal, and relate to the following named properties:

- Alvito
- Alvalade
- Marateca
- Mertola

Licenses have varying required work commitments and carry a 3% Net Smelter Return ("NSR") payable to the government of Portugal.

Alvito:

Callinan Royalties Corporation ("Callinan") (now Altius Minerals Corporation) has a 1.5% NSR royalty on the Alvito property.

On April 5, 2017, the Company signed an earn-in option agreement with Australia-based OZ Exploration Pty. Ltd. ("OZE"), a wholly-owned subsidiary of OZ Minerals Limited ("OZM"), to explore on the Alvito iron oxide, copper-gold ("IOCG") project located in southern Portugal. On October 5, 2018, OZE terminated the agreement and returned 100% ownership to the Company. Since inception of this agreement and to September 30, 2019, OZE had forwarded a total of $1,734,369 (€1,136,000) for the Alvito property.

Alvalade:

In June 2017, the Company recovered 100% ownership of the Alvalade project by forgiving certain debts, assuming a deposit on the project and making future payments to its initial partner upon meeting certain milestones.

On December 7, 2017, the Company signed an exclusivity agreement with a subsidiary of an international mining company, allowing it a right to negotiate the acquisition of an interest in the Alavade property, the Marateca property and the Mertola property for non-refundable payments of €25,000 in respect of each property for a total of €75,000. Such amount was received in December 2017 and was used to offset the expenditures incurred in fiscal 2018.

On November 19, 2019, the Company signed the Earn-In Joint Venture Agreement with Minas de Aguas Teñidas, S.A. (MATSA) to form an earn-in exploration and exploitation joint venture on its Alvalade Project with the following terms:

- In order to acquire a 51% interest in Newco -- "The Experimental Exploitation Phase":

    1) MATSA must provide to Avrupa 400,000 Euros payment on or before the Effective Date (being defined as the date where the new company (Newco) receives the mineral rights (EEL) in its name from the Portuguese Mining Bureau (DGEG)).
    2) MATSA must fund or provide the necessary financial instrument to cover the guarantee (which funds will be returned to MATSA following the release of the guarantee by the DGEG).
    3) MATSA must provide 2.4 million Euros for work on the Project on or before three years following the Effective Date or the issue date of the EEL, with 1.2 million Euros incurred within the first 12 months following the Effective Date.

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

Alvalade: *(Continued)*

4) Avrupa will be the Operator in this phase of work and will be paid 100,000 Euros annually as an operator's fee.

- In order to acquire a further 34% interest in Newco, for a total of 85% -- "The Feasibility Study Phase", MATSA must, at its option:

1) Provide a "bankable feasibility study" on one prospect within the Alvalade license within 5 years after the issuance of the original EEL or if DGEG allows for an extension, to a maximum of an additional 2 years, for a total of 7 years after the issuance of the original EEL. MATSA is responsible for 100% of the costs to produce the feasibility study, including preparation of a NI 43-101 compliant resource estimate;
2) Fund all necessary success-based payments to Company's previous joint venture partner, Antofagasta Minerals, S.A., as required by the Debt Cancellation Agreement between Avrupa and Antofagasta.

- Project Commitment and Construction Phase:

1) In conjunction with the completion of the feasibility study, MATSA would be responsible to ensure that the application for a Mining License at Alvalade is completed, as required by Portuguese Mining Law.
2) During the Construction Phase, Avrupa will have the choice to participate as a 15% shareholder by providing its *pro rata* share of the necessary funding, or elect to transfer its 15% interest in Newco to MATSA in exchange for staged payments of 10 million euros, as follows:

   a) 3,000,000 Euros upon a construction decision being made, and the permits received from the DGEG;
   b) 3,000,000 Euros upon commencement of commercial production; and
   c) 4,000,000 Euros upon the first anniversary of commercial production.

3) The remainder of necessary success-based payments to Antofagasta would be borne by the Project, in accordance with the respective holdings in Newco.

Others including Marateca, Mertola and Covas:

On December 7, 2017, the Company signed an exclusivity agreement with the Funding Partner and On March 5, 2018, the Company signed a non-binding letter of intent (the "LOI") with the Funding Partner regarding the Marateca property and the Mertola property. See Note 5 under "Alvalade".

During fiscal 2018, the Company let the Covas license lapse after Blackheath Resources Inc. ("Blackheath") terminated the earn-in agreement in March 2018. As part of the termination, the Company incurred an additional amount of $31,307 (€21,684) as of September 30, 2019 which will be reimbursed by Blackheath.

(Unaudited, Presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES
(Continued)

Kosovo

The Company, through its 100% holding in Innomatik, holds one exploration license in Kosovo:

- Metovit

The Metovit license was issued in 2015 and carries certain work commitments and a 5% NSR payable to the government of Kosovo. The license expired on June 10, 2018 and the Company is currently in the process of renewing it. There are no acquisition costs associated with this license.

Slivovo license:

Byrnecut International Limited ("Byrnecut") has earned an 85% interest in the Slivovo property after forwarding $2,834,986 (€2,000,000) for the Slivovo property to the Company and completing a Preliminary Feasibility Study ("PFS") by April 10, 2017. Byrnecut and the Company had set up a joint venture entity known as Peshter Mining J.S.C. ("Peshter Mining") to reflect the 85:15 ownership and transferred the Slivovo license into Peshter Mining with Byrnecut being the operator. If a party's interest in Peshter Mining has been diluted to 10% or less, the diluted party's interest in Peshter Mining will be converted into a 2% Net Smelter Return.

As of September 30, 2019, Byrnecut spent over €4,155,723 in Peshter Mining, diluting the Company's interest in Peshter Mining below 10%.

Germany

The Company has earned an 85% interest in the Oelsnitz property under its agreement with Beak Consultants GmbH ("Beak") by spending €140,000. There is no royalty attached to the property. The Company is working with Beak to set up a joint-venture entity. As of September 30, 2019, the Company had spent $252,083 (€192,576) on the Oelsnitz property.

		September 30, 2019		December 31, 2018
Due from optionees				
Covas - Blackheath	$	31,307	$	33,855
Alvito - OZE		-		9,368
	$	31,307	$	43,223

6. PROPERTY DEPOSITS

As of September 30, 2019, the Company had a total of $17,326 (€12,000) (December 31, 2018: $134,272 (€86,000)) of cash pledged for its exploration licenses in Portugal. The advances to the Portuguese regulatory authorities are refundable to the Company, subject to completion of the work obligations described in the exploration license applications.

7. CAPITAL AND RESERVES

(a) Authorized:

At September 30, 2019, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

i. On March 26, 2018, the Company completed a non-brokered private placement by issuing 6,875,000 units ("Unit") at a price of $0.08 per Unit for gross proceeds of $550,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share for a 2-year period at a price of $0.12. The warrants were ascribed a value of $172,137.

In connection with the financing, a total of $19,019 share issue costs was paid.

ii. On November 9, 2018, the Company closed the first tranche of a non-brokered private placement by issuing 10,000,000 units ("Unit") at a price of $0.05 per Unit for gross proceeds of $500,000, and on December 17, 2018 closed the second tranche of $232,000 by issuing 4,640,000 units at a price of $0.05 per Unit. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.10 until November 9, 2021 for the first tranche and until December 17, 2021 for the second tranche. The warrants were ascribed a value of $179,897 and $78,612 respectively. If however the closing price of the Company's shares are $0.20 or greater for a period of 20 consecutive trading days, the warrants will expire on the earlier of the 30th day after such notice is given and the original expiry date.

In connection with the financing, a total of $36,825 share issue costs were paid.

iii. On February 25, 2019, the Company completed the third tranche of a non-brokered private placement by issuing 2,000,000 units ("Unit") at a price of $0.05 per Unit for gross proceeds of $100,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share for a 3 year period at a price of $0.10. The warrants were ascribed a value of $35,233. If however the closing price of the Company's share are $0.20 or greater for a period of 20 consecutive trading days, the warrants will expire on the earlier of the 30th day after such notice is given and the original expiry date.

In connection with the financing, a total of $29,673 share issue costs were paid.

iv. In September 2019, the Company received $61,000 for a non-brokered private placement announced in November 2019 (Note 15).

(Unaudited, Presented in Canadian Dollars)

v.

7. CAPITAL AND RESERVES *(Continued)*

(c) Share Purchase Option Compensation Plan:

The Company has established a stock option plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the board of directors within regulatory guidelines.

Stock option transactions and the number of stock options for the nine months ended September 30, 2019 are summarized as follows:

Expiry date	Exercise price	December 31, 2018	Granted	Exercised	Expired/ cancelled	September 30, 2019
March 3, 2019	$0.165	200,000	-	-	(200,000)	-
July 15, 2020	$0.10	2,015,000	-	-	-	2,015,000
September 26, 2021	$0.18	1,575,000	-	-	-	1,575,000
April 26, 2022	$0.10	1,310,000	-	-	-	1,310,000
March 14, 2023	$0.10	1,800,000	-	-	-	1,800,000
March 26, 2023	$0.10	40,000	-	-	-	40,000
January 07, 2024	$0.05	-	183,000	-	-	183,000
Options outstanding		6,940,000	183,000	-	(200,000)	6,923,000
Options exercisable		6,940,000	183,000	-	(200,000)	6,923,000
Weighted average exercise price		$0.12	$0.05	$Nil	$0.165	$0.12

As of September 30, 2019, the weighted average contractual remaining life is 2.20 years (December 31, 2018 – 2.81 years).

Stock option transactions and the number of stock options for the year ended December 31, 2018 are summarized as follows:

Expiry date	Exercise price	December 31, 2017	Granted	Exercised	Expired/ cancelled	December 31, 2018
October 16, 2018	$0.10	1,145,000	-	-	(1,145,000)	-
March 3, 2019	$0.165	200,000	-	-	-	200,000
July 15, 2020	$0.10	2,015,000	-	-	-	2,015,000
September 26, 2021	$0.18	1,575,000	-	-	-	1,575,000
April 26, 2022	$0.10	1,310,000	-	-	-	1,310,000
March 14, 2023	$0.10	-	1,800,000	-	-	1,800,000
March 26, 2023	$0.10	-	40,000	-	-	40,000
Options outstanding		6,245,000	1,840,000	-	(1,145,000)	6,940,000
Options exercisable		6,245,000	1,840,000	-	(1,145,000)	6,940,000
Weighted average exercise price		$0.12	$0.10	$Nil	$0.10	$0.12

The weighted average assumptions used to estimate the fair value of options for the nine months ended September 30, 2019 and 2018 were:

	2019	2018
Risk-free interest rate	1.33%	1.25%
Expected life	5 years	5 years
Expected volatility	123.92%	130.43%
Expected dividend yield	Nil	Nil

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

(Unaudited, Presented in Canadian Dollars)

7. CAPITAL AND RESERVES *(Continued)*

(d) Finder's Options:

The continuity of finder's options for the nine months ended September 30, 2019 is as follows:

Expiry date	Exercise price	December 31, 2018	Issued	Exercised	Expired	September 30, 2019
July 4, 2019 [1]	$0.10	411,250	-	-	(411,250)	-
Outstanding		411,250	-	-	(411,250)	-
Weighted average exercise price		$0.10	$Nil	$Nil	$0.10	$Nil

[1] The finder's options are exercisable into units, with each unit consisting of one common share and one warrant exercisable until July 4, 2019 at $0.15.

As of September 30, 2019, the weighted average contractual remaining life is Nil year (December 31, 2018 – 0.51 years).

The continuity of finder's options for the year ended December 31, 2018 is as follows:

Expiry date	Exercise price	December 31, 2017	Issued	Exercised	Expired	December 31, 2018
July 14, 2018	$0.10	99,000	-	-	(99,000)	-
July 4, 2019 [1]	$0.10	411,250	-	-	-	411,250
Outstanding		510,250	-	-	(99,000)	411,250
Weighted average exercise price		$0.10	$Nil	$Nil	$0.10	$0.10

The weighted average assumptions used to estimate the fair value of finder's options for the nine months ended September 30, 2019 and 2018 were:

	2019	2018
Risk-free interest rate	Nil	Nil
Expected life	Nil	Nil
Expected volatility	Nil	Nil
Expected dividend yield	Nil	Nil

(Unaudited, Presented in Canadian Dollars)

7. CAPITAL AND RESERVES *(Continued)*

(e) Warrants:

The continuity of warrants for the nine months ended September 30, 2019 is as follows:

Expiry date	Exercise price	December 31, 2018	Issued	Exercised	Expired	September 30, 2019
July 4, 2019	$0.15	13,547,000	-	-	(13,547,000)	-
March 26, 2020	$0.12	6,875,000	-	-	-	6,875,000
July 12, 2020	$0.15	10,170,000	-	-	-	10,170,000
November 9, 2021 (1)	$0.10	10,000,000	-	-	-	10,000,000
December 17, 2021 (1)	$0.10	4,640,000	-	-	-	4,640,000
February 25, 2022 (1)	$0.10	-	2,000,000	-	-	2,000,000
Outstanding		45,232,000	2,000,000	-	(13,547,000)	33,685,000
Weighted average exercise price		$0.13	$0.10	$Nil	$0.15	$0.12

(1) These warrants have a forced exercise price. If the closing price of the Company's shares is $0.20 or greater for a period of 20 consecutive trading days, the warrants will expire on the earlier of the 30th day after such notice is given and the original expiry date.

As of September 30, 2019, the weighted average contractual life is 1.41 years (December 31, 2018 – 1.62 years).

The continuity of warrants for the year ended December 31, 2018 is as follows:

Expiry date	Exercise price	December 31, 2017	Issued	Exercised	Expired	December 31, 2018
July 14, 2018	$0.15	10,920,000	-	-	(10,920,000)	-
July 4, 2019	$0.15	13,547,000	-	-	-	13,547,000
July 12, 2020	$0.15	10,170,000	-	-	-	10,170,000
March 26, 2020	$0.12	-	6,875,000	-	-	6,875,000
November 9, 2021 (1)	$0.10	-	10,000,000	-	-	10,000,000
December 17, 2021 (1)	$0.10	-	4,640,000	-	-	4,640,000
Outstanding		34,637,000	21,515,000	-	(10,920,000)	45,232,000
Weighted average exercise price		$0.15	$0.11	$Nil	$0.15	$0.13

The weighted average assumptions used to estimate the fair value of warrants for the six months ended June 30, 2019 and 2018 were:

	2019	2018
Risk-free interest rate	1.34%	0.98%
Expected life	3 years	2 years
Expected volatility	110.33%	99.84%
Expected dividend yield	Nil	Nil

(Unaudited, Presented in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the nine months ended September 30, 2019

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn Chief Executive Officer, Director	$109,597	$Nil	$Nil	$Nil	$59,744	$Nil	$169,341
Winnie Wong, Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

For the nine months ended September 30, 2018

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn Chief Executive Officer, Director	$191,298	$Nil	$Nil	$Nil	$47,759	$11,505	$250,562
Winnie Wong, Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$9,588	$9,588

Related party liabilities

		Nine months ended			
	Services	September 30, 2019	September 30, 2018	As at September 30, 2019	As at December 31, 2018
Amounts due to:					
Pacific Opportunity Capital Ltd. [(a)]	Rent, management and accounting services	$ 140,813	$ 153,205	$ 278,002	$ 62,754
Paul W. Kuhn	Consulting and housing allowance and share-based payment	$ 169,341	$ 250,562	$ 139,448	$ 33,523
Paul L. Nelles [(b)]	Salaries and share-based payment	$ Nil	$ 22,707	$ Nil	$ Nil
Mineralia [(c)]	Consulting	$ Nil	$ 158,318	$ 22,509	$ 34,375
Adriano Barros [(c)]	Share-based payment	$ Nil	$ 5,369	$ Nil	$ Nil
TOTAL:		$ 310,154	$ 590,161	$ 439,959	$ 130,652

(a) Pacific Opportunity Capital Ltd., a company controlled by a director of the Company.
(b) Paul L. Nelles is a director of Innomatik.
(c) Mineralia, a private company partially owned by Adriano Barros, the former general manager of MAEPA.

(Unaudited, Presented in Canadian Dollars)

9. LONG-TERM LOAN

In March 2017, the Company entered into a long-term loan to purchase a used vehicle. The long-term loan is repayable in monthly payments totalling $20,002 (€13,854) as of September 30, 2019, including interest calculated at 5.635%, and maturing on April 5, 2022.

	September 30, 2019				December 31, 2018			
Long-term loan	$	18,395	€	12,741	$	25,127	€	16,094
Less: current portion of long-term loan		6,793		4,705		7,031		4,503
	$	11,602	€	8,036	$	18,096	€	11,591
Payment schedule of long-term loan								
Year 1	$	7,743	€	5,363	$	8,373	€	5,363
Year 2		7,743		5,363		8,373		5,363
Year 3		4,516		3,128		8,373		5,363
Year 4		-		-		2,792		1,788
	$	20,002	€	13,854	$	27,911	€	17,877
Less: imputed interest		1,473		1,020		2,596		1,663
Other fees		134		93		188		120
	$	18,395	€	12,741	$	25,127	€	16,094

10. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine months ended September 30, 2019 was based on the loss attributable to common shareholders of $874,782 (2018 – $900,798) and a weighted average number of common shares outstanding of 109,815,012 (2018 – 91,653,229).

Diluted loss per share did not include the effect of 6,923,000 share purchase options and 33,685,000 warrants outstanding at nine months end (2018 – 8,085,000 share purchase options, 411,250 finder's options and 30,592,000 warrants) as they are anti-dilutive.

11. FINANCIAL INSTRUMENTS

The fair values of the Company's cash, other receivables, due from optionees, property deposits, accounts payables and accrued liabilities, accounts payable owed by optionees, due to related parties and loans and other borrowings approximate their carrying values because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk, commodity price risk and currency risk.

(a) Credit risk

The Company's cash is held in financial institutions in Canada, Portugal and Kosovo and property deposits are held by Portuguese regulatory authorities. Amounts are receivable from optionees.

11. FINANCIAL INSTRUMENTS *(Continued)*

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

As at September 30, 2019, the Company had cash of $12,037 (December 31, 2018 - $106,288), VAT receivables of $23,907 (December 31, 2018 - $22,308), and other receivables of $115,600 (December 31, 2018 - $123,837) to settle current liabilities, net of funds held for optionees and accounts payable owed by optionees, of $1,196,968 (December 31, 2018 - $766,550).

Accounts payable and accrued liabilities are due within the current operating period.

(c) Interest rate risk

Interest rate risk is not material as the Company does not have any significant financial assets or liabilities subject to fluctuation in interest rates.

(d) Equity market price risk

The Company is exposed to price risk with respect to equity market prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to finance due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(e) Currency risk

The Company's property interests in Portugal and Kosovo make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary liabilities of $562,200 dominated in Euros. A 1% change in the absolute rate of exchange in Euros would affect its net loss by $6,000.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Unaudited, Presented in Canadian Dollars)

11. FINANCIAL INSTRUMENTS *(Continued)*

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at September 30, 2019 and December 31, 2018.

As at September 30, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash	$ 12,037	$ -	$ -	$ 12,037
	$ 12,037	$ -	$ -	$ 12,037

As at December 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash	$ 106,288	$ -	$ -	$ 106,288
	$ 106,288	$ -	$ -	$ 106,288

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The non-cash transactions during the nine months ended September 30, 2019 and 2018 were as follows:

- $11,054 (2018 - $16,643) in mineral exploration expenses was related to depreciation;
- $4,841 (2018 - $4,750) in equipment was purchased and financed with a long term loan. See Note 9.
- As at September 30, 2019, a total of $6,930 (2018 - $Nil) in share issue costs were included in accounts payable and accrued liabilities and $55,300 (2018 - $Nil) were included in due to related parties.

13. MANAGEMENT OF CAPITAL RISK

The Company manages its cash, common shares, warrants, finder's options and share purchase options as capital (see Note 7). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.

(Unaudited, Presented in Canadian Dollars)

14. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition and exploration of mineral properties. Geographic information is as follows:

	September 30, 2019	December 31, 2018
Non-current assets		
Portugal	$ 1,302,939	$ 1,433,139
Kosovo	143,155	143,155
	$ 1,446,094	$ 1,576,294

	Nine months ended	
	September 30, 2019	September 30, 2018
Mineral exploration expenses		
Portugal	$ 526,393	$ 1,366,212
Kosovo	16,924	60,915
Others	-	20,598
	$ 543,317	$ 1,447,725

15. EVENT AFTER THE REPORTING PERIOD

On November 19, 2019, the Company announced a non-brokered private placement of 5,000,000 units at $0.05 for $250,000. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will allow the holder to purchase one additional common share for a period of two years for an additional $0.05.