AVRUPA MINERALS LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2020 AND 2019

(Unaudited)

AVRUPA MINERALS LTD.

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, 2020	December 31, 2019
		(Unaudited)	(Audited)
Assets			
Current assets			
Cash		$ 73,570	$ 58,343
Prepaid expenses and advances		7,179	31,334
Deferred financing costs		3,750	-
Due from optionee	5	33,894	31,622
VAT receivables		24,161	17,042
Other receivables		31,741	29,096
		174,295	167,437
Non-current assets			
Property deposits	6	18,757	17,500
Tax deposits	6	41,201	41,201
Exploration and evaluation assets	5	167,921	167,921
Equipment	4	8,552	17,630
		236,431	244,252
Total assets		$ 410,726	$ 411,689
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		410,543	524,028
Accounts payable owed by optionee		33,894	31,622
Due to related parties	8	753,327	568,597
Current portion of long-term loan	9	7,797	6,963
		1,205,561	1,131,210
Non-current liabilities			
Long-term loan	9	4,764	9,939
		4,764	9,939
Shareholders' (deficiency)			
Share capital	7	9,733,139	9,733,139
Reserves	7	6,763,160	6,782,381
Deficit		(17,295,898)	(17,244,980)
		(799,599)	(729,460)
Total shareholders' (deficiency) and liabilities		$ 410,726	$ 411,689

Events after the reporting period (Note 15)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 26, 2020. 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)

		Three months ended September 30		Nine months ended September 30	
	Note	2020	2019	2020	2019
Mineral exploration expenses					
Mineral exploration expenses	5	$ 39,405	$ 20,939	$ 65,158	$ 543,317
Reimbursements from optionee	5	-	-	(306,900)	-
		(39,405)	(20,939)	241,742	(543,317)
General administrative expenses					
Bank charges		(39)	460	787	1,456
Consulting fees, wages and benefits		47,749	37,500	141,624	73,751
Depreciation		3,327	-	10,074	-
Investor relations		6,913	8,603	26,936	67,712
Listing and filing fees		-	104	5,310	7,283
Office and administrative fees		1,619	168	7,411	6,753
Professional fees	8	16,811	55,505	80,513	129,876
Rent	8	2,550	2,250	7,650	6,750
Share-based payment	8	-	-	-	9,369
Transfer agent fees		1,654	1,026	4,323	8,012
Travel		2,405	-	8,043	26,988
		(82,989)	(105,616)	(292,671)	(337,950)
Other items					
Foreign exchange gain (loss)		(2)	(34)	3	(314)
Interest income		-	15	8	120
Gain on disposal of equipment		-	(57)	-	6,679
		(2)	(76)	11	6,485
Net loss for the period		(122,396)	(126,631)	(50,918)	(874,782)
Exchange difference arising on the translation of foreign subsidiaries		(2,488)	13,526	(19,221)	28,246
Comprehensive loss for the period		$ (124,884)	$ (113,105)	$ (70,139)	$ (846,536)
Basic and diluted loss per share	10	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

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

		Share capital			Reserves						
	Note	Number of shares	Amount	Share subscription	Warrants	Finder's options	Equity-settled employee benefits	Exchange	Subtotal	Deficit	Total shareholders' (deficiency) / equity
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:											
Share subscription		-	-	61,000	-	-	-	-	-	-	61,000
Shares issued for private placement		2,000,000	64,767	-	35,233	-	-	-	35,233	-	100,000
Share issue costs	8	-	(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
Share issues:											
Share subscription		-	-	(61,000)	-	-	-	-	-	-	(61,000)
Shares issued for private placements		3,640,000	139,999	-	42,001	-	-	-	42,001	-	182,000
Share issue costs	8	-	(24,360)	-	-	-	-	-	-	-	(24,360)
Comprehensive loss		-	-	-	-	-	-	(7,532)	(7,532)	(1,222,817)	(1,230,349)
Balance as at December 31, 2019 (Audited)		114,073,797	9,733,139	-	5,181,972	277,893	1,298,472	24,044	6,782,381	(17,244,980)	(729,460)
Comprehensive loss		-	-	-	-	-	-	(19,221)	(19,221)	(50,918)	(70,139)
Balance as at September 30, 2020 (Unaudited)		**114,073,797**	**$ 9,733,139**	**$ -**	**$ 5,181,972**	**$ 277,893**	**$ 1,298,472**	**$ 4,823**	**$ 6,763,160**	**$ (17,295,898)**	**$ (799,599)**

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

	Nine months ended September 30	
	2020	2019
Cash flows from operating activities		
Net loss for the period	$ (50,918)	$ (874,782)
Items not involving cash:		
Depreciation	10,074	-
(Gain) loss on disposal of equipment	-	(6,679)
Mineral exploration expenses	-	11,054
Share-based payment	-	9,369
Changes in non-cash working capital items:		
VAT receivables	(7,119)	(1,599)
Due from optionee	-	11,916
Prepaid expenses and advances	24,155	50,827
Other receivables	(2,645)	8,237
Accounts payable and accrued liabilities	(113,485)	117,730
Accounts payable owed by optionee	2,272	(11,916)
Due from/to related parties	180,980	286,007
Exchange difference arising on the translation of foreign subsidiaries	(22,531)	28,555
Net cash provided by (used in) operating activities	20,783	(371,281)
Cash flows from investing activities		
Net proceeds from sale of equipment	-	6,679
Property deposits	-	116,946
Purchase of equipment	(5,556)	(4,841)
Net cash provided by (used in) investing activities	(5,556)	118,784
Cash flows from financing activities		
Proceeds from issuance of common shares	-	100,000
Proceeds from share subscription	-	61,000
Share issue costs	-	(2,754)
Net cash provided by financing activities	-	158,246
Change in cash for the period	15,227	(94,251)
Cash, beginning of the period	58,343	106,288
Cash, end of the period	$ 73,570	$ 12,037
Cash comprised of:		
Cash	$ 73,570	$ 12,037
	$ 73,570	$ 12,037
Supplementary information:		
Interest received	$ 8	$ 120

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 Suite 2610 – 1066 West Hastings Street, Vancouver, BC, Canada, V6E 3X1. 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 condensed consolidated interim 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

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 financial instruments that have been measured at fair value. 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.

(Unaudited, Presented in Canadian Dollars)

2. BASIS OF PREPARATION *(Continued)*

b) Basis of preparation *(Continued)*

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.

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, 2019.

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, 2019. 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, 2020 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2020.

4. EQUIPMENT

	Furniture and other equipment	Vehicles	Other assets	Total
Cost				
As at January 1, 2019	$ 124,266	$ 76,919	$ 23,302	$ 224,487
Disposal during the year	-	(32,617)	-	(32,617)
Exchange adjustment	(8,199)	(5,074)	(1,537)	(14,810)
As at December 31, 2019	116,067	39,228	21,765	177,060
Exchange adjustment	8,341	2,819	1,564	12,724
As at September 30, 2020	$ 124,408	$ 42,047	$ 23,329	$ 189,784
Accumulated depreciation				
As at January 1, 2019	$ 114,132	$ 54,171	$ 22,077	$ 190,380
Depreciation for the year	3,337	9,990	1,165	14,492
Depreciation for the year related to disposals	-	(32,617)	-	(32,617)
Exchange adjustment	(7,591)	(3,757)	(1,477)	(12,825)
As at December 31, 2019	109,878	27,787	21,765	159,430
Depreciation for the period	2,397	7,677	-	10,074
Exchange adjustment	7,960	2,204	1,564	11,728
As at September 30, 2020	$ 120,235	$ 37,668	$ 23,329	$ 181,232
Net book value				
As at January 1, 2019	$ 10,134	$ 22,748	$ 1,225	$ 34,107
As at December 31, 2019	$ 6,189	$ 11,441	$ -	$ 17,630
As at September 30, 2020	$ 4,173	$ 4,379	$ -	$ 8,552

(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, 2020	$ -	$ 167,920	$ -	$ 1	$ -	$ -	$ -	$ 167,921
As of September 30, 2020	$ -	$ 167,920	$ -	$ 1	$ -	$ -	$ -	$ 167,921
Mineral exploration expenses for the period ended September 30, 2020								
Concession fees and taxes	$ -	$ -	$ -	$ 1,831	$ -	$ -	$ -	$ 1,831
Geological salaries and consulting	-	1,709	-	-	-	-	-	1,709
Office and administrative fees	-	4,391	-	74	362	-	-	4,827
Rent	-	55,614	-	-	-	-	-	55,614
Site costs	-	1,044	-	53	-	-	-	1,097
Travel	-	80	-	-	-	-	-	80
Reimbursements from optionee	-	(306,900)	-	-	-	-	-	(306,900)
	$ -	$ (244,062)	$ -	$ 1,958	$ 362	$ -	$ -	$ (241,742)
Cumulative mineral exploration expenses since acquisition								
Assaying	$ -	$ -	$ -	$ 297,975	$ 65,936	$ 10,846	$ -	$ 374,757
Concession fees and taxes	147,900	361,864	545,708	11,829	206,975	4	-	1,274,280
Depreciation	7,191	17,178	91,531	-	-	-	-	115,900
Drilling	472,513	610,197	-	1,180,217	-	-	-	2,262,927
Geological salaries and consulting	1,624,824	6,510,449	4,692,323	119,801	711,908	12,359	-	13,671,664
Geology work	-	-	32,377	891,582	402,515	223,619	140,906	1,690,999
Insurance	5,683	24,173	46,429	14,604	15,007	-	-	105,896
Legal and accounting	177	1,020	1,067	58,158	13,958	-	-	74,380
Office and administrative fees	43,699	253,927	236,040	80,223	101,542	5,255	63,191	783,877
Rent	188,804	605,799	408,092	28,694	88,221	-	20,560	1,340,170
Report	-	-	-	24,232	-	-	-	24,232
Site costs	71,452	193,708	172,925	185,127	194,582	-	8,865	826,659
Travel	75,625	237,211	171,652	60,107	22,478	-	15,326	582,399
Trenching and road work	-	-	-	34,339	-	-	-	34,339
Reimbursements from optionee	(2,149,344)	(8,000,740)	(2,741,482)	(2,834,986)	(45,158)	-	-	(15,771,710)
	$ 488,524	$ 814,786	$ 3,656,662	$ 151,902	$ 1,777,964	$ 252,083	$ 248,848	$ 7,390,769

(Unaudited, Presented in Canadian Dollars)

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

	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
Write-down of property during the year	-	-	(1,096,840)	(143,154)	-	-	-	(1,239,994)
As of December 31, 2019	$ -	$ 167,920	$ -	$ 1	$ -	$ -	$ -	$ 167,921
Mineral exploration expenses for the year ended December 31, 2019								
Concession fees and taxes	$ 15,422	$ 50,003	$ 10	$ -	$ 3,564	$ -	$ -	$ 68,999
Depreciation	1,676	7,120	2,200	-	-	-	-	10,996
Drilling	-	124,262	-	-	-	-	-	124,262
Geological salaries and consulting	59,406	121,313	7,930	-	33,885	-	-	222,534
Insurance	122	3,755	3,185	-	217	-	-	7,279
Legal and accounting	19	498	-	-	243	-	-	760
Office and administrative fees	6,379	14,071	2,426	-	812	-	-	23,688
Rent	9,202	57,794	12,308	-	6,857	-	-	86,161
Site costs	1,157	13,950	730	-	285	-	-	16,122
Travel	109	5,430	23	-	64	-	-	5,626
Reimbursements from optionee	-	(291,680)	-	-	-	-	-	(291,680)
	$ 93,492	$ 106,516	$ 28,812	$ -	$ 45,927	$ -	$ -	$ 274,747
Cumulative mineral exploration expenses since acquisition								
Assaying	$ -	$ -	$ -	$ 297,975	$ 65,936	$ 10,846	$ -	$ 374,757
Concession fees and taxes	147,900	361,864	545,708	9,998	206,975	4	-	1,272,449
Depreciation	7,191	17,178	91,531	-	-	-	-	115,900
Drilling	472,513	610,197	-	1,180,217	-	-	-	2,262,927
Geological salaries and consulting	1,624,824	6,508,740	4,692,323	119,801	711,908	12,359	-	13,669,955
Geology work	-	-	32,377	891,582	402,515	223,619	140,906	1,690,999
Insurance	5,683	24,173	46,429	14,604	15,007	-	-	105,896
Legal and accounting	177	1,020	1,067	58,158	13,958	-	-	74,380
Office and administrative fees	43,699	249,536	236,040	80,149	101,180	5,255	63,191	779,050
Rent	188,804	550,185	408,092	28,694	88,221	-	20,560	1,284,556
Report	-	-	-	24,232	-	-	-	24,232
Site costs	71,452	192,664	172,925	185,074	194,582	-	8,865	825,562
Travel	75,625	237,131	171,652	60,107	22,478	-	15,326	582,319
Trenching and road work	-	-	-	34,339	-	-	-	34,339
Reimbursements from optionee	(2,149,344)	(7,693,840)	(2,741,482)	(2,834,986)	(45,158)	-	-	(15,464,810)
	$ 488,524	$ 1,058,848	$ 3,656,662	$ 149,944	$ 1,777,602	$ 252,083	$ 248,848	$ 7,632,511

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, spread from the north to the south in the country. The licenses have been issued to MAEPA by the government of Portugal, and relate to the following named properties:

- Alvalade
- Alvito
- Mertola

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

Alvalade:

On November 19, 2019, the Company and MAEPA (collectively the "Company") and Minas de Aguas Teñidas, S.A. ("MATSA") and its wholly-owned subsidiary EUL (collectively "MATSA") entered into an Earn-In Joint Venture Agreement (the "Agreement") in respect of the Alvalade project. Pursuant to the Agreement, PorMining Lda. ("PorMining") was incorporated to hold assets and develop mineral rights (both as defined) and EUL can earn up to an 85% interest in PorMining. The earning of this interest, subsequent arrangements that may be entered into to explore the assets and, if warranted, the development of one or more projects are referred to as the "Transaction". The effective date of the Transaction is the date that PorMining receives the mineral rights in its name from the General Directorate of Energy and Geology of Portugal ("DGEG") (On June 15, the five-year Experimental Exploitation License was issued to PorMining). The Transaction is comprised of the following phases:

- Phase I – First Option;
- Phase II – Second Option;
- 51/49 Phase; and
- Phase III – Development and Operation

Phase I – First Option

Phase I commences on the effective date and continues until the first to occur of the first option exercise date and the termination of the first option. During Phase I, MAEPA will grant EUL the sole and exclusive right to hold an undivided 51% interest in PorMining (the first option) for at least three years from the effective date or the issue of the Experimental Exploitation License (the "EEL") by DGEG to PorMining. EUL's right to maintain its 51% interest is conditional upon MATSA:

- Paying €400,000 to the Company on or before the effective date (€200,000 was received in December 2019 and the remaining €200,000 was received in June 2020);
- Funding or providing the necessary financial instrument to cover the guarantee, which will be returned to MATSA following the release of the guarantee by DGEG (funded €100,000 in June 2020); and
- Funding expenditures (the first option expenditures) on the mineral rights in an aggregate amount of €2,400,000 (€1,200,000 within the first 12 months following the effective date and €1,200,000 in the next 24 months) on or before three years from the effective date or the issue of the EEL.

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

Alvalade: *(Continued)*

Funding of the first option expenditures is solely at MATSA's discretion and MATSA may elect to terminate the first option at any time by delivering notice (the first option termination notice) to the Company. MATSA may elect to accelerate the funding of the first option expenditures in order to exercise the first option at an earlier date. If there is a shortfall in the first option expenditures, MATSA may elect to pay such amount on or before the end of the three-year period and the first option expenditures will be deemed to have been satisfied.

Upon MATSA completing all of the requirements of the first option, EUL will have unconditionally earned the 51% interest in PorMining. If the first option is terminated, MAEPA will acquire the 51% interest from EUL for a nominal value, the shares will be cancelled and MAEPA will hold a 100% interest in PorMining.

During Phase I, MAEPA will act as the operator of the mineral rights. PorMining will pay MAEPA an operator's fee equal to €100,000 per year, paid monthly starting June 16, 2020, funded by MATSA and which shall form part of the first option expenditures. In all other phases, PorMining will be the operator unless it appoints another person to act as operator. The operator is responsible for developing and submitting work programs to the technical committee or the board of directors for consideration and approval and to implement work programs when approved according to the approved budget. The technical committee is comprised of two representatives from each of EUL and MAEPA and will be in effect until the first option exercise date. Thereafter, the board of directors will make all decisions with respect to the mineral rights.

During Phase I, EUL will fund 100% of all maintenance payments (as defined) and approved work programs.

As of September 30, 2020, MATSA has funded a total of €257,450 on the Alvalade project, including the €100,000 guarantee with DGEG. Subsequently, MATSA funded another €60,000.

Phase II – Second Option

Phase II commences on the first option exercise date and continues until the first to occur of the second option exercise date and the termination of the second option. On the first option exercise date, the Company will grant EUL the sole and exclusive right and option to acquire an additional 34% (for an aggregate 85% interest) in PorMining (the second option). EUL's right to exercise the second option is conditional on MATSA satisfying the second option conditions as follows:

- Preparing, funding and delivering to PorMining a feasibility study on the mineral rights within five years of the issuance of the EEL or, provided that DGEG grants an extension to all or part of the EEL, the time period for when the second option conditions must be shall be extended to a maximum of two additional years, for a total of seven years after the issuance of the original EEL;
- Making proper application for a mining license before the end of the term of the EEL; and
- Making all progress payments to Antofogasta as set out in the Debt Cancellation Agreement dated June 12, 2017 as follows:
    - o US$250,000 within 60 days after the date of a news release announcing a NI 43-101 compliant technical report having been completed and with results as defined;
    - o US$500,000 within 60 days after the date of a news release announcing completion of a feasibility study with results as defined;

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

Alvalade: *(Continued)*

- US$500,000 on the one-year anniversary of the date of the news release announcing the feasibility study noted above;
- US$750,000 within 60 days of the commencement of commercial production;
- US$750,000 on the one-year anniversary of commencement of commercial production;
- US$750,000 on the second anniversary of commencement of commercial production; and
- US$750,000 on the third anniversary of commencement of commercial production.

The satisfaction of the second option conditions is solely at MATSA's discretion and MATSA may elect to terminate the second option at any time by delivering notice (the second option termination notice) to the Company. If the second option is terminated, EUL will be entitled to retain its 51% interest in PorMining, plus an additional 1% interest for every €735,294 of expenditures funded during Phase II and the 51/49 Phase will commence.

Upon MATSA satisfying the second option conditions, EUL automatically earns an additional 34% interest in PorMining for an aggregate interest of 85%.

During Phase II, EUL will fund 100% of all maintenance payments and approved work programs.

51/49 Phase

The 51/49 Phase commences on termination of the second option and continues until the deemed conversion of the interest of a party to a royalty. During the 51/49 Phase, PorMining will remain the operator subject to the terms of the Agreement and the shareholders' agreement and the activities of the parties with respect to the mineral rights will be continue to be governed by the shareholder's agreement.

If at any time after the 51/49 Phase has commenced EUL's interest is reduced to below 10% as a result of dilution calculations, its interest will be deemed to be converted to a 1.5% royalty, which royalty shall only be payable up to a maximum total payment of €13,000,000 after which it will no longer be applicable. Upon conversion to the royalty, EUL will have no further rights or interest in respect of the assets under the Agreement or the shareholders' agreement except for the royalty and the termination provisions apply.

If at any time during the 51/49 Phase MAEPA's interest is reduced to 15% as a result of dilution calculations, then its interest will be deemed to be converted to a 15% "carried interest" following which MAEPA will not be required to contribute to any further work programs and will not be subject to any further dilution until such time as a feasibility study has been prepared, at which point Phase III will have been deemed to have commenced and MAEPA will have to sell the option.

During the 51/49 Phase, the parties will fund the maintenance payments and contribute to the costs of any approved work and/or development programs in proportion to their proportionate share.

Phase III – Development and Operation

Phase III commences on the second option exercise date and continues until the deemed conversion of the interest of a party to a royalty. Within 90 days of the commencement of Phase III, the Company will transfer its 15% interest in PorMining to MATSA in consideration for €10,000,000 to be paid as follows:

- €3,000,000 upon a construction decision being made by PorMining and all permits having been received from DGEG;
- €3,000,000 upon commencement of commercial production; and
- €4,000,000 upon the first anniversary of commencement of commercial production.

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

Alvalade: *(Continued)*

During Phase III, the parties will contribute their respective pro rata share of all approved work programs and budgets.

If at any time after Phase III has commenced MAEPA's interest is reduced to below 10% as a result of dilution calculations, its interest will be deemed to be converted to a 1.5% royalty as described above for EUL.

On March 27, 2020, MAEPA and EUL entered into a Quota Transfer Agreement pursuant to which MAEPA split its 100% interest in the share capital of PorMining into two quotas, representing 51% and 49% of the company's share capital, and sold the 51% quota to EUL for the nominal value of €510.

On March 27, 2020, the Company, MAEPA, MATSA and EUL entered into the PorMining Lda. Shareholders' Agreement (the "Agreement"). Pursuant to the Agreement:

- PorMining has five directors. From the effective date until the second option exercise date, three will be nominated by EUL and two by MAEPA. Thereafter, four will be nominated by EUL and one will be nominated by MAEPA. Upon the occurrence of the 51/49 Phase and thereafter, EUL is entitled to nominate three directors and MAEPA two directors. In the event of dilution of the interest of EUL or MAEPA, each will be entitled to proportional representation (as described) equal to its then interest;
- In the event that EUL and/or MAEPA wish to sell or transfer their shares in PorMining, PorMining has a right of first refusal to purchase all or a portion of the shares. To the extent that PorMining does not exercise its right of first refusal to all of the shares, each of EUL and/or MAEPA has a right of first refusal; and
- The Agreement will terminate at such time as there is a final decision regarding the dissolution and liquidation of PorMining, the parties mutually agree on the termination of the Agreement or as provided for under the Earn-In Joint Venture Agreement.

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 the agreement and to the termination, OZE had forwarded a total of $1,734,369 (€1,136,000) for the Alvito property.

Others including Marateca, Mertola and Covas:

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 Marateca property and the Mertola property for non-refundable payments of €25,000 each. During fiscal 2019, the Company dropped Marateca property and wrote off $1,096,840.

During fiscal 2019, the Company had applied to DGEG to drop the Alvito and Mertola licenses and as of September 30, 2020, DGEG had not processed such requests.

(Unaudited, Presented in Canadian Dollars)

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

Others including Marateca, Mertola and Covas: *(Continued)*

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 $33,894 (€21,684) as of September 30, 2020 which will be reimbursed by Blackheath.

	September 30, 2020	December 31, 2019
Due from optionees		
Covas - Blackheath	$ 33,894	$ 31,622
	$ 33,894	$ 31,622

Kosovo

The Company, through its 100% holding in Innomatik, held 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. This license expired on June 10, 2018 and the Company is currently in the process of renewing it. There is no acquisition cost 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. Avrupa's interest in Peshter Mining had since been diluted to below 10%, resulting in the Company's interest in Peshter Mining being converted into a 2% Net Smelter Return. As of September 30, 2020, Byrnecut spent over €4.6 million in Peshter Mining.

As of December 31, 2019, the Company wrote down its interest in Slivovo by $143,154 (2018 - $nil) to $1 as the Company continues to negotiate with the Kosovo Mining Bureau as well as Byrnecut in order to extend the life of this license.

Germany

The Company had earned an 85% interest in the Oelsnitz property under its agreement with Beak Consultants GmbH ("Beak") by spending €140,000. There was no royalty attached to the property. During fiscal 2020, the Company dropped the property.

6. PROPERTY DEPOSITS / TAX DEPOSITS

Property deposits:

As of September 30, 2020, the Company had a total of $18,757 (€12,000) (December 31, 2019: $17,500 (€12,000)) 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.

Tax deposits:

In November 2018, MAEPA paid €56,505 ($88,201) in lieu of bank guarantees of €77,918 ($121,625) to the Directora de Finanças de Braga in Portugal. This amount was comprised of €51,920 ($81,044) in respect of stamp tax and €4,585 ($7,157) in respect of VAT. The stamp tax portion relates to the interpretation that intercompany advances received by MAEPA are financing loans and, accordingly, are subject to stamp tax. The VAT portion relates to certain invoices for vehicle usage and construction services. As of December 31, 2019, the Company estimates that the judicial review process will take approximately one year for the VAT claim and three to five years for the stamp tax claim and that the likelihood of success for each is 50%. As a result, tax deposits were written down by $41,200 (€28,252) during the year ended December 31, 2019.

7. CAPITAL AND RESERVES

(a) Authorized:

At September 30, 2020, 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 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 $35,234. 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 $29,673 share issue costs were incurred.

ii. On December 18, 2019, the Company completed a non-brokered private placement by issuing 3,640,000 units ("Unit") at a price of $0.05 per Unit for gross proceeds of $182,000. Each Unit consists of one common share and one half of one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.05 until December 18, 2021. The warrants were ascribed a value of $42,000.

In connection with the financing, a total of $24,360 share issue costs were incurred.

(Unaudited, Presented in Canadian Dollars)

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, 2020 are summarized as follows:

Expiry date	Exercise price	December 31, 2019	Granted	Exercised	Expired/ cancelled	September 30, 2020
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 7, 2024	$0.05	183,000	-	-	-	183,000
Options outstanding		6,923,000	-	-	(2,015,000)	4,908,000
Options exercisable		6,923,000	-	-	(2,015,000)	4,908,000
Weighted average exercise price		$0.12	$Nil	$Nil	$0.10	$0.12

As of September 30, 2020, the weighted average contractual remaining life is 1.78 years (December 31, 2019 – 1.95 years).

Stock option transactions and the number of stock options for the year ended December 31, 2019 are summarized as follows:

Expiry date	Exercise price	December 31, 2018	Granted	Exercised	Expired/ cancelled	December 31, 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

The weighted average assumptions used to estimate the fair value of options for the nine months ended September 30, 2020 and 2019 were:

	2020	2019
Risk-free interest rate	Nil	1.33%
Expected life	Nil	5 years
Expected volatility	Nil	123.92%
Expected dividend yield	Nil	Nil

(Unaudited, Presented in Canadian Dollars)

7. CAPITAL AND RESERVES *(Continued)*

(c) Share Purchase Option Compensation Plan: *(Continued)*

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.

(d) Finder's Options:

The continuity of finder's options for the year ended December 31, 2019 is as follows:

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

(e) Warrants:

The continuity of warrants for the nine months ended September 30, 2020 is as follows:

Expiry date	Exercise price	December 31, 2019	Issued	Exercised	Expired	September 30, 2020
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
December 18, 2021	$0.05	1,820,000	-	-	-	1,820,000
February 25, 2022 (1)	$0.10	2,000,000	-	-	-	2,000,000
Outstanding		35,505,000	-	-	(17,045,000)	18,460,000
Weighted average exercise price		$0.12	$Nil	$Nil	$0.14	$0.10

(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, 2020, the weighted average contractual life is 1.17 years (December 31, 2019 – 1.20 years).

The continuity of warrants for the year ended December 31, 2019 is as follows:

Expiry date	Exercise price	December 31, 2018	Issued	Exercised	Expired	December 31, 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
December 18, 2021	$0.05	-	1,820,000	-	-	1,820,000
February 25, 2022 (1)	$0.10	-	2,000,000	-	-	2,000,000
Outstanding		45,232,000	3,820,000	-	(13,547,000)	35,505,000
Weighted average exercise price		$0.13	$0.08	$Nil	$0.15	$0.12

(Unaudited, Presented in Canadian Dollars)

7. CAPITAL AND RESERVES *(Continued)*

(e) Warrants: *(Continued)*

The weighted average assumptions used to estimate the fair value of warrants for the nine months ended September 30, 2020 and 2019 were:

	2020	2019
Risk-free interest rate	Nil	1.34%
Expected life	Nil	3 years
Expected volatility	Nil	110.33%
Expected dividend yield	Nil	Nil

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, 2020

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Paul W. Kuhn [e] Chief Executive Officer, Director	$ 112,500	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 112,500

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 [e] Chief Executive Officer, Director	$ 109,597	$ Nil	$ Nil	$ Nil	$ 59,744	$ Nil	$ 169,341
Frank Hogel Director	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ 5,530	$ 5,530

Related party liabilities

		Nine months ended			
	Services / Advances	September 30, 2020	September 30, 2019	As at September 30, 2020	As at December 31, 2019
Amounts due to:					
Pacific Opportunity Capital Ltd. [a]	Rent, management, accounting, marketing and financing services	$ 91,385	$ 140,813	$ 413,205 [b]	$ 319,029 [b]
Paul W. Kuhn [e]	Consulting, salaries, housing allowance and share-based payment	$ 112,500	$ 169,341	$ 303,635	$ 203,519
Mark T. Brown [d]	Short-term loan and expense reimbursement	$ Nil	$ Nil	$ 20,856	$ 16,518
Paul L. Nelles [c]	Salaries and share-based payment	$ Nil	$ Nil	$ 15,631	$ 14,583
Mineralia [f]	Consulting	$ Nil	$ Nil	$ Nil	$ 14,948
TOTAL:		$ 203,885	$ 310,154	$ 753,327	$ 568,597

(Unaudited, Presented in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Pacific Opportunity Capital Ltd., a company controlled by a director of the Company.
(b) Includes a $51,325 advance that is non-interest bearing without specific terms of repayment.
(c) Paul L. Nelles is a director of Innomatik.
(d) Mark T. Brown is a director of the Company. The amount includes a $16,000 advance, a non-interest bearing loan without specific terms of repayment.
(e) On June 1, 2019, the Company entered into a Contract for Services (the "Contract") with a contractor to serve as the Company's president and chief executive officer. The contractor is responsible for providing technical oversight and guidance, establishing corporate goals and objectives and setting and implementing corporate strategies. Pursuant to the Contract:
  - The contractor will receive a fee of $12,500 per month and a rent allowance of €4,000 for the first four months;
  - If the Company is substantially sold or has a change of control (as defined), the contractor will receive a payment equal to two years of fees; and
  - The contract remains effective until terminated in writing by either the Company or the contractor. The Company may terminate the contract at any time without notice or payment in lieu thereof for cause or at any time without cause by providing six months' written notice or by paying the contractor in lieu of notice. The contractor may terminate the contract at any time by providing the Company with three months' written notice.

(f) Mineralia, a private company partially owned by Adriano Barros, the former general manager of MAEPA.

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 $13,272 (€8,491) as of September 30, 2020, including interest calculated at 5.635%, and maturing on April 5, 2022.

	September 30, 2020				December 31, 2019			
Long-term loan	$	14,440	€	9,238	$	16,902	€	11,590
Less: current portion of long-term loan		7,797		4,988		6,963		4,774
	$	6,643	€	4,250	$	9,939	€	6,816
Payment schedule of long-term loan								
Year 1	$	8,383	€	5,363	$	7,821	€	5,363
Year 2		4,889		3,128		7,821		5,363
Year 3		-		-		2,607		1,788
		13,272		8,491		18,249		12,514
Less: imputed interest		622		398		1,224		840
Other fees		89		57		123		84
	$	12,561	€	8,036	$	16,902	€	11,590

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share for the nine months ended September 30, 2020 was based on the loss attributable to common shareholders of $50,918 (2019 – $874,782) and a weighted average number of common shares outstanding of 114,073,797 (2019 – 109,815,012).

10. LOSS PER SHARE *(Continued)*

Diluted loss per share

Diluted loss per share did not include the effect of 4,908,000 share purchase options and 18,460,000 warrants outstanding at nine months end (2019 - 6,923,000 share purchase options and 33,685,000 warrants) as they were anti-dilutive.

11. FINANCIAL INSTRUMENTS

The fair values of the Company's cash, other receivables, due from optionee, property deposits, accounts payables and accrued liabilities, accounts payable owed by optionee, 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 an optionee.

(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, 2020, the Company had cash of $73,570 (December 31, 2019 - $58,343), VAT receivables of $24,161 (December 31, 2019 - $17,042) and other receivables of $31,741 (December 31, 2019 - $29,096) to settle current liabilities, net of funds held for optionee and accounts payable owed by optionee, of $1,171,667 (December 31, 2019 - $1,099,588).

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.

(Unaudited, Presented in Canadian Dollars)

11. FINANCIAL INSTRUMENTS *(Continued)*

(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 $165,000 dominated in Euros. A 1% change in the absolute rate of exchange in Euros would affect its net loss by $1,200.

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).

The following table sets forth the Company's financial assets classified as subsequently measured at amortized cost as at September 30, 2020 and December 31, 2019.

As at September 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash	$ 73,570	$ -	$ -	$ 73,570
Due from optionee	33,894	-	-	33,894
Other receivables	31,741	-	-	31,741
Property deposits	18,757	-	-	18,757
	$ 157,962	$ -	$ -	$ 157,962

As at December 31, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash	$ 58,343	$ -	$ -	$ 58,343
Due from optionee	31,622	-	-	31,622
Other receivables	29,096	-	-	29,096
Property deposits	17,500	-	-	17,500
	$ 136,561	$ -	$ -	$ 136,561

The financial liabilities are classified as subsequently measured at amortized cost.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The non-cash transactions during the nine months ended September 30, 2020 and 2019 were as follows:

- $Nil (2019 - $11,054) in mineral exploration expenses was related to depreciation;
- As at September 30, 2020, a total of $Nil (2019 - $6,930) in share issue costs were included in accounts payable and accrued liabilities, a total of $3,750 in deferred financing costs (2019 - $Nil) and a total of $77,800 (2019 - $55,300) were included in due to related parties.

(Unaudited, Presented in Canadian Dollars)

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 or operations in the near term.

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, 2020	December 31, 2019
Non-current assets		
Portugal	$ 236,430	$ 244,251
Kosovo	1	1
	$ 236,431	$ 244,252

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Mineral exploration expenses		
Portugal	$ 62,838	$ 526,393
Kosovo	2,320	16,924
	$ 65,158	$ 543,317

15. EVENTS AFTER THE REPORTING PERIOD

(a) On October 23, 2020, the Company completed a non-brokered private placement of 16,878,566 units at $0.03 for gross proceeds of $506,357. Each unit consists of one common share and one common share purchase warrant. Each warrant will allow the holder to purchase one additional common share for a period of three years at a price of $0.05.

(b) The Company intends to consolidate its outstanding common shares on the basis of one (1) post-consolidation common share for every four (4) pre-consolidation common shares (the "Consolidation"). The Company will hold its next annual general and special meeting of shareholders on December 14, 2020, and will seek shareholder approval for the Consolidation at that meeting as required by the Company's articles.