Group Eleven Resources Corp.

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2019

Expressed in Canadian Dollars

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING

The accompanying condensed consolidated interim financial statements of Group Eleven Resources Corp. ("the Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed consolidated interim 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.

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)
As at

		September 30, 2019		December 31, 2018
Assets				
Current Assets				
Cash	$	690,242	$	1,936,921
Prepaid expenses		55,533		84,911
Other receivables		45,757		84,816
Total Current Assets		791,532		2,106,648
Non-Current Assets				
Equipment (Note 4)		18,242		25,889
Exploration and evaluation assets (Note 5)		8,897,821		8,897,821
Total Assets	$	**9,707,595**	$	**11,030,358**
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (Note 6)	$	458,969	$	557,136
Total Liabilities		458,969		557,136
Non-Current Liabilities				
Deferred share units (Note 7)		20,000		–
Total Liabilities		**478,969**		**557,136**
Equity				
Share capital (Note 7)		13,536,456		13,027,584
Reserves (Note 7)		908,885		833,445
Deficit		(8,633,943)		(6,561,119)
Total Shareholders' Equity		5,811,398		7,299,910
Non-controlling interest (Note 8)		3,417,228		3,173,312
Total Equity		9,228,626		10,473,222
Total Liabilities and Equity	$	**9,707,595**	$	**11,030,358**

Nature and continuance of operations (Note 1)
Subsequent Events (Note 13)

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

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	For the Three Months Ended September 30, 2019	**For the Three Months Ended September 30, 2018**	**For the Nine Months Ended September 30, 2019**	**For the Nine Months Ended September 30, 2018**
Operating expenses				
Exploration expenditures (Note 5 and 11)	$ 330,734	$ 322,516	$ 940,082	$ 1,021,036
Management fees (Note 11)	35,702	37,416	81,025	84,130
Salaries and benefits (Note 11)	171,688	191,353	581,298	463,381
Professional fees (Note 11)	31,560	112,605	176,492	218,694
General and administrative	38,054	93,043	164,333	247,989
Marketing and investor relations	29,283	65,530	176,980	406,048
Depreciation (Note 4)	2,020	2,825	7,647	7,490
Foreign exchange loss	3,873	12,597	59,115	13,182
Interest income	–	(8,976)	(162)	(34,198)
Share-based payments (Note 7)	21,679	44,299	73,217	79,296
Loss and comprehensive loss for the period	**$ (664,593)**	**$ (873,208)**	**$ (2,260,027)**	**$ (2,507,048)**
Loss attributable to:				
Shareholders	(605,102)	(832,599)	(2,072,824)	(2,248,255)
Non-controlling interest (Note 8)	(59,491)	(40,609)	(187,203)	(258,793)
	(664,593)	**(873,208)**	**(2,260,027)**	**(2,507,048)**
Basic and diluted loss per common share attributable to shareholders	**($0.01)**	**($0.01)**	**($0.04)**	**($0.04)**
Weighted average number of common shares outstanding	**63,574,067**	**59,777,477**	**61,686,260**	**59,777,477**

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

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2019 and 2018
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Share Capital				Total		
	Shares	Amount	Reserves	Deficit	Shareholders' Equity	Non-controlling Interest	Total Equity
Balance, December 31, 2017	**59,777,477**	**$ 13,027,584**	**$ 680,669**	**$ (3,202,592)**	**$ 10,505,661**	**$ 3,047,819**	**$ 13,553,480**
Share-based payments	–	–	79,296	–	79,296	–	79,296
Contributions from Non-controlling interest	–	–	–	–	–	187,858	187,858
Loss for the period	–	–	–	(2,248,255)	(2,248,255)	(258,793)	(2,507,048)
Balance, September 30, 2018	**59,777,477**	**13,027,584**	**759,965**	**(5,450,847)**	**8,336,702**	**2,976,884**	**11,313,586**
Share-based payments	–	–	73,480	–	73,480	–	73,480
Contributions from Non-controlling interest	–	–	–	–	–	257,225	257,225
Loss for the period	–	–	–	(1,110,272)	(1,110,272)	(60,797)	(1,171,069)
Balance, December 31, 2018	**59,777,477**	**$ 13,027,584**	**$ 833,445**	**$ (6,561,119)**	**$ 7,299,910**	**$ 3,173,312**	**$ 10,473,222**
Shares issued for private placement	3,882,265	465,872	–	–	465,872	–	465,872
Shares issued for debt	499,762	43,000	–	–	43,000	–	43,000
Share-based payments	–	–	75,440	–	75,440	–	75,440
Contributions from Non-controlling interest	–	–	–	–	–	431,119	431,119
Loss for the period	–	–	–	(2,072,824)	(2,072,824)	(187,203)	(2,260,027)
Balance, September 30, 2019	**64,159,504**	**$ 13,536,456**	**$ 908,885**	**$ (8,633,943)**	**$ 5,811,398**	**$ 3,427,228**	**$ 9,228,626**

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

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)
For the nine months ended September 30

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (2,260,027)	$ (2,507,048)
Items not affecting cash:		
Depreciation	7,647	7,490
Share-based payments	73,217	79,296
Changes in non-cash working capital items:		
Prepaid expenses	29,378	(18,442)
Other receivables	39,059	100,380
Accounts payable and accrued liabilities	(32,944)	(379,249)
Net cash used in operating activities	(2,143,670)	(2,717,573)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	–	–
Purchase of equipment	–	(25,294)
Net cash used in investing activities	–	(25,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from shares issuances	465,872	–
Contributions from non-controlling interest	431,119	187,858
Net cash provided by financing activities	896,991	187,858
Change in cash and cash equivalents	(1,246,679)	(2,555,009)
Cash and cash equivalents, beginning of the period	1,936,921	5,050,079
Cash and cash equivalents, end of the period	$ 690,242	$ 2,495,070
Cash and cash equivalents is represented by:		
Cash	680,242	2,485,070
Cash equivalents	10,000	10,000
	$ 690,242	$ 2,495,070
Supplemental Cash Flow Information:		
Shares issued for debt	$ 37,000	$ –
Warrants issued for professional fees	$ 2,223	$ –

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Group Eleven Resources Corp. (the "Company" or "GERC") was incorporated under the laws of the Province of British Columbia, Canada on November 25, 2016, and its principal business activity is the exploration and evaluation of mineral properties. The Company's corporate office is located at 1050 – 400 Burrard Street, Vancouver, British Columbia. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol ZNG.

These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon establishing future profitable production, or realization of proceeds on disposal.

Management recognizes that the Company will need to raise additional funds to maintain its current level of operations and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Historically, capital requirements have been primarily funded through equity financing, but the Company is currently also evaluating potential additional sources of capital through joint ventures and strategic alliances. A failure to raise capital when required could cause a deferral or delay in the current exploration projects, a divestiture or loss of its mineral interests, have a material adverse effect on the Company's business, financial condition and results of operations and could ultimately cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to the adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using, except as noted below, the same accounting policies and methods of application as the audited annual consolidated financial statements for the year ended December 31, 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements have been omitted or condensed.

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2018.

The Company has adopted IFRS 16 Leases ("IFRS 16") effective January 1, 2019. Changes to the Company's significant accounting policies are described in Note 3.

On November __, 2019, the Board of Directors of the Company approved these condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 and 2018.

(b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, its wholly owned subsidiaries, Group Eleven Resources Ltd. ("GERL") and Group Eleven Mining and Exploration Inc. ("GEME"), a 60% interest in Ballinalack Resources Limited, and a 76.56% interest in TILZ Minerals Ltd., all incorporated in Dublin, Ireland. All inter-company transactions and accounts have been eliminated upon consolidation. For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective January 1, 2019, the Company adopted IFRS 16, which replaces IAS 17 Leases. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and a cumulative catch up adjustment is recorded on January 1, 2019 for any differences identified, including adjustments to opening retained earnings balance.

The Company analyzed its contracts to identify whether they contain a lease arrangement for the application of IFRS 16. No such contracts were identified, and as a result, the adoption of IFRS 16 resulted in no impact to the opening retained earnings on January 1, 2019.

The following is the Company's new accounting policy for financial instruments under IFRS 16:

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

4. EQUIPMENT

	Computer Equipment	Computer Software	Exploration Equipment	Total
Cost				
Balance, January 1, 2018	$ 5,410	$ 13,190	$ –	$ 18,600
Additions	–	–	25,294	25,294
Balance, December 31, 2018	5,410	13,190	$ 25,294	43,894
Balance, September 30, 2019	**$ 5,410**	**$ 13,190**	**$ 25,294**	**$ 43,894**
Accumulated Depreciation				
Balance, January 1, 2018	$ 1,397	$ 6,291	$ –	$ 7,688
Depreciation	1,804	4,397	4,116	10,317
Balance, December 31, 2018	3,201	10,688	4,116	18,005
Depreciation	1,351	2,502	3,794	7,647
Balance, September 30, 2019	**$ 4,552**	**$ 13,190**	**$ 7,910**	**$ 25,652**
Net Book Value				
Balance, December 31, 2018	$ 2,209	$ 2,502	$ 21,728	$ 25,889
Balance, September 30, 2019	**$ 858**	**$ –**	**$ 17,384**	**$ 18,242**

5. EXPLORATION AND EVALUATION ASSETS

All of the Company's exploration and evaluation assets are located in Ireland.

	Cumulative to December 31, 2017	Expenditures during the year	Cumulative to December 31, 2018	Expenditures during the period	Cumulative to September 30, 2019
Acquisition costs					
Exploration and evaluation assets acquired	$ 8,897,821	$ –	$ 8,897,821	$ –	$ 8,897,821
Total acquisition costs	**$ 8,897,821**	**$ –**	**$ 8,897,821**	**$ –**	**$ 8,897,821**

	Cumulative to December 31, 2017	Expenditures during the year	Cumulative to December 31, 2018	Expenditures during the period	Cumulative to September 30, 2019
Exploration expenditures					
License fees	$ 115,718	$ 32,250	$ 147,968	$ 88,616	$ 236,584
Assays	14,004	244,326	258,330	17,483	275,813
Data compilation	206,735	164,519	371,254	181,322	552,576
Drilling	194,993	316,806	511,799	291,121	803,501
Equipment	101,414	138,884	240,298	75,564	315,862
Fieldwork	26,650	225,464	252,114	15,682	267,796
Geology consulting	43,675	51,598	95,273	56,255	151,528
Geophysical surveys	93,323	229,950	323,273	180,303	503,576
Sampling supplies	20,904	4,707	25,611	–	25,030
Technical supervision	1,340	93,511	94,851	33,736	128,587
Total exploration expenditures	**$ 818,756**	**$ 1,502,015**	**$ 2,320,771**	**$ 940,082**	**$ 3,260,853**

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	September 30, 2019	December 31, 2018
Accounts payable	$ 407,920	$ 391,821
Accrued liabilities	51,049	165,315
Accounts payable and accrued liabilities	**$ 458,969**	**$ 557,136**

7. SHARE CAPITAL

a) Share capital

Authorized: an unlimited number of common shares with no par value.

Issued: 64,159,504 common shares.

From April 3 to April 30, 2019, the Company issued 3,882,265 units ("Units") at a subscription price of $0.12 per Unit, for total proceeds of $465,872. Each Unit consists of one common share and one half non-transferrable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at $0.24 per share for two years from the date of issue.

On May 10, and August 14, 2019, pursuant to a marketing services agreement with VRIFY Technology Inc., the Company issued 171,429 shares at a price of $0.07 per share for $12,000 and 120,000 shares at a price of $0.05 per share for $6,000, respectively, for services rendered.

On June 17, 2019, pursuant to an advisory agreement with Canaccord Genuity Corp, the Company issued 208,333 shares at a price of $0.12 per share for $25,000 in services rendered.

b) Escrowed Shares

As a condition to the completion of the Company's IPO in 2017, pursuant to the escrow provisions of the Canadian Securities Administrators, a total of 15,892,711 common shares held by Principals, defined as directors, officers, and MAG Silver Corp ("MAG"), were required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. An additional 4,350,000 common shares were subject to the "seed share resale restrictions" imposed by applicable policies of the TSX-V which will vest on the same terms as the Principals.

As at September 30, 2019, 9,072,535 common shares were held in escrow and will be released pursuant to the schedule below:

Date	Percent	Amount
December 13, 2019	15%	3,024,712
June 13, 2020	15%	3,023,912
December 13, 2020	15%	3,023,911
Total		**9,072,535**

In the event 4,632,950 shares are issued to MAG upon exercise of warrants held (Note 7(d)), 45% of these shares will also be subject to the escrow requirements and held in trust based on the above schedule.

c) Stock options

The Company has a stock option plan (the "Plan") that authorizes the Board of Directors to grant options to directors, officers, employees and consultants. The maximum number of common shares issuable pursuant to the exercise of outstanding options granted under the plan, when aggregated with all other security-based compensation arrangements of the Company, is not to exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of stock options granted to any one individual in a 12-month period may not exceed 5% of the outstanding common shares of the Company. The maximum number of stock options granted to any one consultant or an individual providing investor relations services in a 12-month period may not exceed 2% of the outstanding common shares of the Company. Options granted to consultants or individuals providing investor relations services will vest over at least 12 months with no more than one-quarter of the options vesting in any three-month period. The exercise price of each option will be determined by the Board, subject to the approval of the TSX-V if necessary. Options granted will have a term not to exceed five years and, except for where previously noted, are subject to vesting provisions as determined by the Board.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The Company did not grant any stock options during the nine months ended September 30, 2019 (2018 – 330,000). Total share-based payments expense recognized for options granted and vested during the nine months ended September 30, 2019 was $73,217 (2018 - $79,296). Stock option transactions are summarized as follows.

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2017	–	$ –
Granted	3,505,000	0.22
Balance, December 31, 2018	3,505,000	0.22
Expired	(115,000)	0.23
Balance, September 30, 2019	3,390,000	$ 0.22

Number of Options Outstanding	Weighted Average Remaining Life (Years)	Exercise Price ($)	Number of Options Currently Exercisable	Expiration Date
300,000	3.64	0.40	200,000	February 19, 2023
15,000	3.70	0.40	10,000	March 13, 2023
2,525,000	4.19	0.20	1,683,333	September 6, 2023
350,000	4.19	0.20	–	September 6, 2023
200,000	4.19	0.20	200,000	September 6, 2023

The fair value of stock options granted were estimated using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2018
Risk free interest rate	0%
Expected life of options	5 Years
Expected dividend yield	Nil
Expected stock price volatility	80%
Weighted average fair value per option granted	$ 0.09

d) Restricted Share Units (RSU)

On July 2, 2019, the Company adopted an RSU plan for directors, officers, employees and consultants of the Company. Under the terms of the plan, each vested RSU awarded entitles the RSU holder to receive, subject to adjustment as provided for in the RSU Plan, either one common share in the Company or, at the Company's option, an equivalent cash payment. RSUs will vest over a period of up to three years from the date of grant. The Company has reserved 2,000,000 common shares for issuance under the RSU Plan, subject to the total RSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company. The Company did not grant any RSU's during the three and nine months ended September 30, 2019.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

RSUs are measured at fair value on the date of grant based on the closing price of the Company's shares on the date prior to the grant and is recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based payment reserve. Upon the exercise of RSUs, the related share-based payment reserve is transferred to share capital.

e) Deferred Share Units (DSU)

On July 2, 2019, the Board amended the terms of the DSU Plan. Under the terms of the amended DSU Plan, each vested DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU Plan, either one common share in the Company or, at the option of the Company, an equivalent cash payment. The Company has reserved 2,000,000 common shares for issuance under the DSU Plan, subject to the total DSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company.

For the purposes of the DSU Plan, the value of the DSU on the grant date is the market price, being the five-day volume weighted average price of the common shares immediately preceding the grant date. If the common shares are not trading on the TSX-V, then the Market Value shall be determined in the same manner based on the trading price on such stock exchange or over-the-counter market on which the common shares are listed and posted for trading as may be selected for such purpose by the Board.

The fair value of the DSU liability at September 30, 2019 was $20,000 (December 31, 2018 - $nil). The following table is a continuity of DSU activity for the nine months ended September 30, 2019 and 2018:

	September 30, 2019	**September 30, 2018**
DSU's outstanding, beginning of period	–	–
Granted	500,000	–
DSU's outstanding, end of period	500,000	–

f) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, December 31, 2018	17,882,950	$ 0.43
Issued – Private Placement	1,941,133	0.24
Issued – Professional Fees	116,620	0.24
Expired	(13,250,000)	0.49
Balance, September 30, 2019	6,690,703	$ 0.25

As at September 30, 2019, the following warrants were outstanding:

Number of Warrants	**Exercise Price ($)**	**Expiry Date**
3,382,950	0.21	December 13, 2019
1,250,000	0.40	December 13, 2019
1,764,853	0.24	April 3, 2021
292,900	0.24	April 29, 2021

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

8. NON-CONTROLLING INTEREST

	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
Non-controlling interest, January 1, 2018	$ 2,396,297	$ 651,522	$ 3,047,819
Share of Loss	(212,397)	(107,193)	(319,590)
Contribution from non-controlling interest	249,808	195,275	445,083
Non-controlling interest, December 31, 2018	$ 2,433,708	$ 739,604	$ 3,173,312
Share of loss	(111,153)	(76,050)	(187,203)
Contribution from non-controlling interest	431,119	–	431,119
Non-controlling interest, September 30, 2019	$ 2,753,674	$ 663,554	$ 3,417,228

The following table presents the non-controlling interest as at September 30, 2019 and December 31, 2018. The information below is before inter-company eliminations.

As at September 30, 2019	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
Non-controlling interest percentage	40%	23.44%	
Assets			
Current	$ 330,779	$ 49,880	$ 380,659
Non-current	6,086,296	2,811,525	8,897,821
	6,417,075	2,861,405	9,278,480
Liabilities			
Current	7,893	57,742	65,635
	7,893	57,742	65,635
Net Assets	6,409,182	2,803,663	9,212,845
Non-controlling interest	$ 2,753,674	$ 663,554	$ 3,417,228

As at December 31, 2018	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
Non-controlling interest percentage	40%	23.44%	
Assets			
Current	$ 76,419	$ 559,639	$ 636,058
Non-current	6,086,296	2,811,525	8,897,821
	6,162,715	3,371,164	9,533,879
Liabilities			
Current	95,483	227,273	322,756
	95,483	227,273	322,756
Net Assets	6,067,232	3,143,891	9,211,123
Non-controlling interest	$ 2,433,708	$ 739,604	$ 3,173,312

The following table presents the loss and comprehensive loss attributable to non-controlling interest:

	Three months ended September 30, 2019	Nine months ended September 30, 2019
Loss and comprehensive loss for the year	**$ 664,593**	**$ 2,260,027**
Loss attributable to non-controlling interest		
Ballinalack Resources Limited	55,327	111,153
TILZ Minerals Ltd.	4,164	76,050
	$ 59,491	$ 187,203

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company monitors its adjusted capital which comprises all components of equity. The Company manages its 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 issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. No changes were made to the Company's capital management practices during the nine months ended September 30, 2019.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of risks related to financial instruments. The Board approves and monitors the risk management processes. The principal types of risk exposure and the way in which they are managed are as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at September 30, 2019 the Company had working capital of $332,563. Management believes that the Company has sufficient financial resources to sustain minimum operating requirements, however it will need to raise additional funds to meet future expenditure requirements (see Note 1).

Foreign exchange risk

The Company's functional currency is the Canadian dollar. There is a foreign exchange risk to the Company as its exploration and evaluation property interests and resulting future commitments are located in Ireland. The Euro translation rate has experienced volatility over the last several years as a result of monetary policies adopted by the European Central Bank. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company has a policy of not engaging in hedging activities to address this foreign currency risk. At September 30, 2019, the Company had Euro denominated current assets of €492,961 and Euro denominated current liabilities of €231,715. Accordingly, a 10% change in the foreign exchange rate would result in a $37,719 credit or charge to operations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is currently not exposed to any interest rate risk as cash is held in a non-interest bearing account and the Company does not have any interest bearing liabilities.

Commodity price risk

While the value of the Company's exploration and evaluation assets is related to the price of zinc and other minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks with respect to its operational activities. Zinc and other mineral prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for zinc, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's other receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

11. RELATED PARTY BALANCES AND TRANSACTIONS

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Their remuneration includes the following:

Nine Months Ended September 30	2019	2018
Salaries and benefits	$ 457,503	$ 451,238
Management fees	90,333	84,130
Professional fees	14,750	15,750
Share-based payments	42,025	43,758
Total	**$ 604,611**	**$ 594,876**

For the nine months ended September 30, 2019, $24,854 (2018 - $93,169) of salaries and benefits were recorded in exploration and evaluation expense. At September 30, 2019, accounts payable and accrued liabilities include $17,445 (2018 – $9,363) payable to key management personnel of the Company.

12. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief executive officer, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in Ireland. Accordingly, the Company's operations are in one commercial and two geographic segments. The Company's Equipment (Note 4) and Exploration and Evaluation Assets (Note 5) are held by the Company in Ireland. The remaining assets, including cash and cash equivalents, prepaids and receivables, reside in both of the Company's two geographic locations. The Company is not exposed to significant operating risks as a consequence of the concentration of its assets in Ireland.

13. SUBSEQUENT EVENTS

i. On October 15, 2019, the Company closed a non-brokered private placement (the "Financing") with Glencore Canada Corporation, issuing 8,400,000 units ("Units") at a subscription price of $0.12 per Unit, for total proceeds of $1,008,000. Each Unit consists of one common share and one half non-transferrable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at $0.24 per share for 36 months from the date of issue.

ii. On October 17, 2019, the Company granted options to purchase 770,000 common shares to certain officers and employees at an exercise price of $0.08 per share. The options expire on October 17, 2022. The options vest as to one-third immediately, one-third on October 17, 2020, and one-third on October 17, 2021. On November 6, 2019, the Company granted additional options to purchase 60,000 common shares to an employee at an exercise price of $0.08 per share. The options expire on October 17, 2022. The options vest as to one-third immediately, one-third on October 17, 2020, and one-third on October 17, 2021.