EUROSUN MINING

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Expressed in United States Dollars)

(UNAUDITED)

EURO SUN MINING INC.

Condensed consolidated interim statements of financial position
(Expressed in United States dollars)
(unaudited)

As at:		**June 30, 2019**		December 31, 2018
Assets				
Current assets				
Cash and cash equivalents	**$**	**3,175**	$	460,704
Restricted deposits		**22,924**		21,991
Prepaid expenses and sundry receivables		**214,391**		527,027
Total current assets	**$**	**240,490**	$	1,009,722
Non-current assets				
Property, plant and equipment (Note 3)		**804,455**		513,605
Investment in associate (Note 4)		**739,175**		772,751
Deposits (Note 9)		**76,585**		76,585
Total assets	**$**	**1,860,705**	$	2,372,663
Liabilities				
Current liabilities				
Trade and other payables (Note 8)	**$**	**1,480,406**	$	501,538
Deferred share unit liability (Note 5)		**1,692,144**		994,703
Loans payable (Note 11)		**190,016**		-
Current lease liability (Note 10)		**85,994**		-
Total current liabilities	**$**	**3,448,560**	$	1,496,241
Non-current lease liability (Note 10)		**220,198**		-
Total liabilities	**$**	**3,668,758**	$	1,496,241
Equity attributable to shareholders				
Share capital (Note 6)		**214,618,165**		212,605,103
Contributed surplus (Note 6 (c))		**3,999,398**		4,421,452
Warrants (Note 6 (d))		**216,885**		2,205,265
Accumulated deficit		**(219,948,137)**		(217,647,546)
Accumulated other comprehensive loss		**(694,364)**		(707,852)
Total shareholders' (deficiency) equity	**$**	**(1,808,053)**	$	876,422
Total liabilities and shareholders' (deficiency) equity	**$**	**1,860,705**	$	2,372,663

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 7 and Note 9)
Subsequent event (Note 12)

Approved by the Board of Directors on August 12, 2019:

"David Danziger", Director   "*Stan Bharti*", Director

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

EURO SUN MINING INC.

Condensed consolidated interim statements of loss and comprehensive loss
(Expressed in United States dollars)
(unaudited)

	Three months ended June 30, 2019	Three months ended June 30, 2018	**Six months ended June 30, 2019**	Six months ended June 30, 2018
Expenses				
Consulting and management fees (Note 8)	**1,601,542**	297,609	**$ 1,938,475**	$ 624,201
Professional fees	**3,540**	34,557	**42,400**	63,965
General office expenses	**52,428**	56,291	**92,511**	103,545
Travel expenses	**33,607**	114,801	**61,760**	247,598
Shareholder communications and filing fees	**106,371**	88,187	**342,276**	108,165
Loss from investment in associate (Note 4)	**35,529**	67,369	**65,090**	79,396
Share-based compensation (Note 5, 6 (c) and 8)	**891,639**	(610,156)	**1,195,640**	1,578,101
Exploration and evaluation expenditures (Note 7)	**769,485**	866,779	**1,601,901**	1,867,033
(Gain) loss on foreign exchange	**(3,354)**	97,891	**5,274**	292,290
Interest income	**-**	(673)	**(226)**	(1,244)
Interest expense	**12,198**	-	**19,130**	-
Net loss for the period	**$ (3,502,985)**	$ (1,012,655)	**$ (5,364,231)**	$ (4,963,050)
Other comprehensive (loss) income				
Cumulative translation adjustments	**(20,179)**	48,539	**13,488**	162,619
Other comprehensive (loss) income for the period	**$ (20,179)**	$ 48,539	**$ 13,488**	$ 162,619
Net comprehensive loss for the period	**$ (3,523,164)**	$ (964,116)	**$ (5,350,743)**	$ (4,800,431)
Basic and diluted loss per share	**$ (0.05)**	$ (0.02)	**$ (0.08)**	$ (0.08)
Weighted average number of common shares outstanding - basic and diluted	**72,404,398**	57,575,461	**67,517,081**	57,575,461

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

EURO SUN MINING INC.

Condensed consolidated interim statements of changes in shareholders' equity (deficiency)
(Expressed in United States dollars)
(unaudited)

	Share capital	Warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Shareholders' equity (deficiency)
Balance, December 31, 2017	$ 210,605,103	$ 2,650,549	$ 4,427,777	$ (210,883,385)	$ (491,993)	$ 6,308,051
Net loss and comprehensive loss	-	-	-	(4,963,050)	162,619	(4,800,431)
Balance, June 30, 2018	$ 210,605,103	$ 2,650,549	$ 4,427,777	$ (215,846,435)	$ (329,374)	$ 1,507,620
Balance, December 31, 2018	$ 212,605,103	$ 2,205,265	$ 4,421,452	$ (217,647,546)	$ (707,852)	$ 876,422
Adjustment on initial application of IFRS 16 (Note 2)	-	-	-	(22,798)	-	(22,798)
Adjusted balance, January 1, 2019	212,605,103	2,205,265	4,421,452	(217,670,344)	(707,852)	853,624
Private placement (Note 6)	1,988,808	252,192	-	-	-	2,241,000
Share issuance costs (Note 6)	(271,499)	-	-	-	-	(271,499)
Stock option grant (Note 6 (c))	-	-	459,119	-	-	459,119
Stock option forfeiture (Note 6 (c))	-	-	(881,173)	881,173	-	-
Warrant exercise (Note 6 (d))	260,446	-	-	-	-	260,446
Warrant exercise valuation allocation (Note 6 (d))	35,307	(35,307)	-	-	-	-
Warrant expiry (Note 6 (d))	-	(2,205,265)	-	2,205,265	-	-
Net loss and comprehensive loss	-	-	-	(5,364,231)	13,488	(5,350,743)
Balance, June 30, 2019	$ 214,618,165	$ 216,885	$ 3,999,398	$ (219,948,137)	$ (694,364)	$ (1,808,053)

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

EURO SUN MINING INC.

Condensed consolidated interim statements of cash flows
(Expressed in United States dollars)
(unaudited)

		Six months ended June 30, 2019		Six months ended June 30, 2018
Cash flows from operating activities				
Loss and comprehensive loss for the period	$	(5,350,743)	$	(4,800,431)
Adjustment for:				
Depreciation and amortization (Note 3)		124,293		40,415
Interest income		(226)		(1,244)
Loss from investment in associate (Note 4)		65,090		79,396
Deferred share units (Note 5)		736,521		1,578,101
Stock options granted (Note 6 (c))		459,119		-
	$	(3,965,946)	$	(3,103,763)
Prepaid expenses, sundry receivables and restricted deposits		312,636		(241,146)
Trade and other payables		939,788		(303,463)
Net cash used in operating activities	$	(2,713,522)	$	(3,648,372)
Cash flows from investing activities				
Interest income		226		1,244
Acquisition of property, plant and equipment (Note 3)		(83,197)		(257,982)
Investment in associate (Note 4)		-		(476,340)
Issuance of note receivable		-		(455,650)
Net cash used in investing activities	$	(82,971)	$	(1,188,728)
Cash flows from financing activities				
Proceeds from private placement (Note 6 (b))		2,241,000		-
Share issuance costs (Note 6 (b))		(271,499)		-
Warrant exercise (Note 6 (d))		260,446		-
Payment of principal portion of lease liability (Note 2 and Note 10)		(39,926)		-
Loans payable (Note 11)		190,016		-
Net cash provided by financing activities	$	2,380,037	$	-
Effect of exchange rate changes on cash and cash equivalents	$	(41,073)	$	(6,979)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(457,529)		(4,844,079)
CASH AND CASH EQUIVALENTS, beginning of period	$	460,704	$	5,906,115
CASH AND CASH EQUIVALENTS, end of period	$	3,175	$	1,062,036
Supplemental cash flow information:				
Right of use asset (Note 3)	$	331,946		-

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

1. Nature of operations and going concern

Euro Sun Mining Inc., together with its subsidiaries (collectively the "Company"), is a gold and copper exploration and development mining company focused primarily on its 100% owned Rovina Valley Project ("RVP") located in west-central Romania.

The Company was incorporated under the federal laws of Canada (the *Canada Business Corporations Act*) on January 17, 2003, is domiciled in Canada and its common shares are currently posted for trading and listed on the Toronto Stock Exchange ("TSX") under the symbol "ESM". The address of its registered office is 65 Queen Street West, Suite 805, Toronto, Ontario, M5H 2M5.

These unaudited condensed consolidated interim financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. For the six months ended June 30, 2019, the Company incurred a net loss of $5,364,231 and as at June 30, 2019, reported an accumulated deficit of $219,948,137 and a negative working capital of $3,208,070 including $3,175 in cash and cash equivalents. Subsequent to June 30, 2019, the Company closed a $2,373,535 private placement. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. These matters represent material uncertainties that cast substantial doubt about the ability of the Company to continue as a going concern. However, Management believes it will be able to raise sufficient additional funds to support activities for the next twelve months.

These condensed consolidated interim financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown as assets of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

(Expressed in United States Dollars)

2. Basis of presentation

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These statements are condensed and do not include all the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2018.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 12, 2019.

Basis of measurement

The condensed consolidated interim financial statements have been prepared under the historical cost convention, unless otherwise disclosed. The condensed consolidated interim financial statements have been prepared on an accrual basis except for cash flow information.

The functional currency of the Parent is the Canadian dollar and the functional currency of each of its subsidiaries is the U.S. dollar.

Basis of presentation

The condensed consolidated interim financial statements of the Company consolidate the accounts of Euro Sun Mining Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company's financial statements consolidate its subsidiaries which comprise the following at June 30, 2019:

Name of entity	Country of incorporation	Ownership
SAMAX Romania Limited	Cyprus	100%
SAMAX Romania S.R.L.	Romania	100%

On April 19, 2017, Ore-Leave Capital (Barbados) Limited was continued into the British Virgin Islands from Barbados and was named Ore-Leave Capital Limited. On June 7, 2017, Ore-Leave Capital Limited and Samax Romania Limited merged, the surviving company is SAMAX Romania Limited and was continued into Cyprus from the British Virgin Islands on December 29, 2017.

2. Basis of presentation (continued)

Significant accounting policies

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2018, except for the adoption of the following new standards and interpretations issued by the IASB that were effective as of January 1, 2019.

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases, as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. Effective January 1, 2019, the Company adopted this standard using the modified retrospective approach, under which the cumulative effect of initial application was recognized in retained earnings at January 1, 2019.

For contracts entered into before January 1, 2019, the Company determined whether the arrangement contained a lease under IAS 17 Leases ("IAS 17") and its interpretive guidance. Prior to the adoption of IFRS 16, these leases were classified as operating or finance leases based on an assessment of whether the lease transferred significantly all the risks and rewards of ownership of the underlying asset.

Upon transition to the new standard, lease liabilities were measured at the present value of the remaining lease payments discounted by the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets and lease liabilities were recognized on the consolidated statement of financial position with the cumulative difference recognized in retained earnings.

At transition, lease liabilities of $354,744 and right-of-use assets of $331,946 were recognized in the consolidated statement of financial position. The difference of $22,798 was recognized as a reduction in retained earnings.

For contracts entered into subsequent to January 1, 2019, at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaced the previous requirement to recognize a provision for onerous lease contacts.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of earnings.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

(Expressed in United States Dollars)

2. Basis of presentation (continued)

Significant accounting policies

The Company reports its right-of-use asset as part of property, plant and equipment on the condensed consolidated interim statement of financial position. The table below shows the continuity schedule of the lease liability. See note 3 for continuity schedule of the right-of-use asset.

3. Property, plant and equipment

	Building in Progress	Leasehold improvements	Machinery, equipment & vehicles	Right of use asset	Total
Cost:					
Balance, December 31, 2017	$ -	$ 205,988	$ 56,592	$ -	$ 262,580
Additions	53,349	195,248	101,696	-	350,293
Balance, December 31, 2018	$ 53,349	$ 401,236	$ 158,288	$ -	$ 612,873
Additions	**69,070**	**-**	**14,127**	**-**	**83,197**
Adoption of IFRS 16	**-**	**-**	**-**	**331,946**	**331,946**
Balance, June 30, 2019	**$ 122,419**	**$ 401,236**	**$ 172,415**	**$ 331,946**	**$ 1,028,016**
Depreciation:					
At December 31, 2017	$ -	$ -	$ 7,695	$ -	$ 7,695
Depreciation charge for the year	-	59,348	32,225	**-**	91,573
Balance, December 31, 2018	$ -	$ 59,348	$ 39,920	$ -	$ 99,268
Depreciation charge for the period	**-**	**54,623**	**24,405**	**45,265**	**124,293**
Balance, June 30, 2019	**$ -**	**$ 113,971**	**$ 64,325**	**$ 45,265**	**$ 223,561**
Net book value:					
At December 31, 2018	$ 53,349	$ 341,888	$ 118,368	$ -	$ 513,605
At June 30, 2019	**$ 122,419**	**$ 287,265**	**$ 108,090**	**$ 286,681**	**$ 804,455**

As at June 30, 2019, the carrying value of property, plant and equipment is comprised of $nil in Canada (December 31, 2018 – $nil) and $804,455 in Romania (December 31, 2018 - $513,605).

(Expressed in United States Dollars)

4. Investment in associate - Vilhelmina Minerals Inc.

On September 26, 2017, the Company purchased 600,000 common shares of Vilhelmina Minerals Inc., a private company incorporated in Canada engaged in the exploration and development of metals, for CAD$600,000 ($483,420). In April 2018, the Company purchased an additional 600,000 common shares of Vilhelmina Minerals Inc. for CAD$600,000 ($476,430), and in December 2018, the Company purchased 74,000 common shares of Vilhelmina Minerals Inc. for CAD$74,000 ($54,244), increasing its ownership interest in Vilhelmina Minerals Inc. to 36.3% as at December 31, 2018 (2017 - 33%). Vilhelmina Minerals Inc. issued 220,000 shares in Q1 2019, decreasing the Company's ownership interest in Vilhelmina Minerals Inc. to 34.14%, as at June 30, 2019. Vilhelmina Minerals Inc. currently holds a 46.9% ownership interest in Vilhelmina Mineral AB ("Vilhelmina"), a private company which owns an interest in exploration and evaluation properties in Sweden and Norway. Vilhelmina Mineral AB is located in Sweden, and Mr. Scott Moore, an officer and director of the Company, is a director of Vilhelmina.

Management has determined the Company has significant influence over Vilhelmina Minerals Inc. The investment is considered an associate and is accounted for using the equity method.

Changes in the investment in associate for the year ended December 31, 2018 and the six months ended June 30, 2019 were as follows:

Balance, December 31, 2017	$	458,342
Acquisition of 674,000 shares at cost		530,584
Proportionate share of net loss		(150,838)
Effect of foreign exchange		(65,337)
Balance, December 31, 2018	$	772,751
Proportionate share of net loss		(65,090)
Effect of foreign exchange		31,514
Balance, June 30, 2019	**$**	**739,175**

The following is a summary of the consolidated financial information for Vilhelmina Minerals Inc. on a 100% basis as at June 30, 2019 and December 31, 2018, and for the six months ended June 30, 2019 and 2018.

		June 30, 2019		December 31, 2018
Cash	**$**	**152,986**	$	414,550
Total current assets		**201,272**		682,689
Non-current assets		**199,116**		200,838
Total current liabilities		**217,219**		223,304

		Six months ended June 30, 2019		Six months ended June 30, 2018
Loss before items noted below	**$**	**(452,797)**	$	(801,290)
Loss on foreign exchange		**(22,164)**		11,467
Loss and comprehensive loss	**$**	**(474,961)**	$	(789,823)
Controlling interest	**$**	**(162,172)**		(226,954)
Non-controlling interest	**$**	**(312,789)**		(564,869)

(Expressed in United States Dollars)

5. Deferred share units

Effective January 21, 2010, the Company established a Deferred Share Unit ("DSU") Plan for directors or officers of the Company or any affiliate thereof ("Eligible Person"). A DSU is a unit equivalent in value to one common share of the Company based on the five-day average trading price of the Company's common shares on the TSX immediately prior to the date on which the value of the DSU is determined. Upon termination, an eligible person receives a cash payment equivalent to the quoted market value of a common share on the termination date multiplied by the number of DSUs held by them. The DSU liability is based on the quoted market value of the Company's shares at the date of the consolidated statement of financial position.

The following transactions occurred during the periods noted below:

Number of DSUs outstanding, December 31, 2017	**39,599**
Granted	3,855,000
Paid out	(243,340)
Forfeited	(300,000)
Number of DSUs outstanding, December 31, 2018	**3,351,259**
Granted	**3,870,000**
Paid out	**(66,667)**
Forfeited	**(33,333)**
Number of DSUs outstanding, June 30, 2019	**7,121,259**

	June 30, 2019	December 31, 2018
DSU Liability	**$ 1,692,144**	$ 994,703

In April 2019, 3,870,000 DSUs were granted, with one third vesting immediately, one third vesting in one year from the grant date, and one third vesting in two years from the grant date.

As at June 30, 2019, 3,534,593 of the outstanding DSUs had vested.

(Expressed in United States Dollars)

6. Share capital

(a) Authorized
Unlimited number of common shares, without par value.
Unlimited number of preference shares, without par value.

(b) Issued common shares

	Number of common shares		Stated value
Balance, December 31, 2017	57,575,461	$	210,605,103
Common shares issued in private placement (i)	4,333,333		2,000,000
Balance, December 31, 2018	61,908,794	$	212,605,103
Common shares issued in private placement (ii)	**10,000,000**		**1,988,808**
Share issuance costs (ii)	**-**		**(271,499)**
Warrant exercise	**700,000**		**260,446**
Value allocation on warrant exercise	**-**		**35,307**
Balance, June 30, 2019	**72,608,794**	**$**	**214,618,165**

(i) On November 8, 2018, the Company closed a non-brokered private placement financing of 4,333,333 common shares at a price of CAD$0.60 per share for gross proceeds of $2,000,000 (CAD$2,619,200).

(ii) On March 26, 2019, the Company closed a non-brokered private placement financing of 10,000,000 units at a price of CAD$0.30 per unit for gross proceeds of $2,241,000 (CAD$3,000,000). Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share at a price of CAD$0.50 for a period of two years from the grant date. The warrants were valued at $252,192. The Company paid commissions and other expenses of $73,024 (CAD$97,757) in relation to this private placement. Directors and officers participated and acquired a total of 550,000 units of this private placement for gross proceeds of $123,255 (CAD$165,000).

See Note 12.

(Expressed in United States Dollars)

6. Share capital (continued)

(c) Stock options

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2017	4,704,969	$ 1.54
Expired	(6,645)	1.36
Balance, December 31, 2018	4,698,324	$ 1.36
Granted	**2,840,000**	**$ 0.51**
Expired	**(925,807)**	**1.36**
Balance, June 30, 2019	**6,612,517**	**$ 0.98**

As at June 30, 2019, stock options held by directors, officers, employees and consultants are as follows:

Options outstanding	Options exercisable	Grant date fair value vested	Exercise price (CAD)	Date of expiry	Remaining contractual life in years
3,497,252	3,497,252	$ 3,328,645	$ 1.36	June 13, 2021	1.96
275,265	275,265	211,634	1.36	September 30, 2021	2.25
1,500,000	1,500,000	110,004	0.33	March 14, 2021	1.71
500,000	500,000	105,130	0.46	March 28, 2024	4.75
840,000	840,000	243,985	0.73	April 5, 2024	4.77
6,612,517	6,612,517	$ 3,999,398			2.48

During the three and six months ended June 30, 2019, the Company granted 840,000 and 2,840,000 stock options, respectively (no stock options granted for the three and six months ended June 30, 2018) and options vested with a total value of $243,985 and $459,119 ($nil for the three and six months ended June 30, 2018).

The weighted average grant date fair value of options granted during the six months ended June 30, 2019 was measured using the Black-Scholes option pricing model. The following inputs were used in the measurement of fair values at grant date: expected dividend yield of 0%, expected volatility of 75% based on the Company's historical volatility, weighted average risk - free interest rate of 1.46%, weighted average share price of CAD$0.42 and a weighted average expected life of 5 years. The weighted average grant-date fair value of options granted during the six months ended June 30, 2019 was CAD$0.22 per option. The options granted by the Company vested immediately on the date of grant.

(Expressed in United States Dollars)

6. Share capital (continued)

(d) Common share purchase warrants

	Number of warrants	Weighted average exercise price (CAD)	
Balance, December 31, 2017	4,475,816	$	2.07
Expired	(543,391)		1.29
Balance, December 31, 2018	3,932,425	$	2.18
Warrants issued in private placement	5,000,000		0.50
Exercised	(700,000)		0.50
Expired	(3,932,425)		0.85
Balance, June 30, 2019	**4,300,000**	**$**	**0.50**

At June 30, 2019, outstanding warrants to acquire common shares of the Company were as follows:

Number of warrants outstanding		Grant date fair value		Weighted average exercise price (CAD)	Expiry date
4,300,000	$	216,885	$	0.50	March 26, 2021

On March 26, 2019, the Company issued 5,000,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.50 until March 26, 2021. The grant date fair value of these warrants of $252,192 was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%, expected volatility of 78% based on the Company's historical volatility, risk-free rate of 1.46%, and expected life of two years.

See Note 12.

(Expressed in United States Dollars)

7. Exploration and evaluation expenditures

Exploration and evaluation expenditures during the periods presented were as follows:

	Three months ended June 30, 2019	Three months ended June 30, 2018	**Six months ended June 30, 2019**	Six months ended June 30, 2018
Consulting and technical	**$ 382,831**	$ 494,224	**$ 980,605**	$ 1,032,552
Surface rights	**17,935**	51,200	**28,511**	108,203
Environmental studies	**-**	60,969	**3,026**	157,420
Other exploration costs	**99,783**	13,562	**136,118**	130,284
Metallurgical testing	**34,120**	5,315	**68,672**	100,109
Field office support and administration	**220,554**	155,442	**362,266**	249,578
Professional fees	**-**	-	**5,880**	-
Travel	**3,341**	86,067	**5,902**	88,887
Licence fees	**10,921**	-	**10,921**	-
	$ 769,485	$ 866,779	**$ 1,601,901**	$ 1,867,033

The Company owns 100% of the Rovina Valley Project in Romania; mining license number 18174/2015 which is held through its subsidiary SAMAX Romania S.R.L. The license will come into effect once it is ratified by the Romanian Government. Once ratified, the mining license is valid for 20 years, renewable for periods of five years until all the resources have been mined. The project carries a 6% (gold) and 5% (copper) net smelter return “NSR” royalty payable to the Romanian state once in production. As at June 30, 2019, the Company has only one material segment for financial reporting purposes, which is the development of its Romanian mining permit.

8. Related party transactions

Key management personnel compensation:

	Three months ended June 30, 2019	Three months ended June 30, 2018	**Six months ended June 30, 2019**	Six months ended June 30, 2018
Directors and officers compensation	**$ 331,412**	$ 365,900	**$ 657,166**	$ 735,882
Share-based payments	**660,211**	-	**738,040**	1,259,997
	$ 991,623	$ 365,900	**$ 1,395,206**	$ 1,995,879

Included in the above amounts is $135,389 ($140,834 for the six months ended June 30, 2018) paid according to a contract for business and operational consulting services with Forbes & Manhattan Inc., a company of which Mr. Stan Bharti is the Executive Chairman, Mr. Matt Simpson is Chief Executive Officer and both of whom are directors of the Company.

As at June 30, 2019, the Company had $400,688 (December 31, 2018 - $26,542) in accounts payable owing to various officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand.

See Note 6, 9, and 11.

(Expressed in United States Dollars)

9. Commitments and contingencies

(a) Management Contracts

The Company is party to certain management contracts. These contracts require payment of approximately $4.0 million upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $2.7 million pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these condensed consolidated interim financial statements.

(b) Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

10. Lease liability

On August 29, 2017, the Company entered into a lease agreement for office space in Bucharest, Romania. The monthly rent payable under the terms of the lease is 7,815 Euros ($9,617) plus applicable service charges. The rent payable is subject to an annual increase based on the percentage increase in the Euro Zone Monetary Union Index of Consumer Prices over the prior year assessed annually. Amounts unpaid when due are subject to interest of 0.2% per day from the due date until the date the payment is made. The lease is for fixed term of five years commencing August 2017. As at June 30, 2019, the Company had paid a deposit equivalent to six months rent and services charges of $76,585. The Company used a discount rate of 8.5% in determining the present value of the lease payments.

Lease liability as at January 1, 2019	$	354,744
Interest expense		13,491
Lease payments		(53,417)
Effect of foreign exchange currency difference		(8,626)
Lease liability as at June 30, 2019	**$**	**306,192**

		June 30, 2019
Current lease liability	**$**	**85,994**
Non-current lease liability		**220,198**
	$	**306,192**

Future minimum lease payments for this lease agreement are as follows:

		June 30, 2019		December 31, 2018
Within one year	**$**	**102,589**		103,215
After one year but not more than five years		**222,276**		275,240
More than five years		**-**		-
	$	**324,865**	$	378,455

11. Loans payable

During the six months ended June 30, 2019, an officer of the Company extended loans in the amount of $50,528 to the Company. These loans were unsecured, interest free, and had no fixed terms of repayment. These loans were repaid in full subsequent to June 30, 2019.

On June 4, 2019, Forbes & Manhattan extended a loan in the amount of CAD$70,000 ($53,488) to the Company. The loan was unsecured, interest free, and had no fixed terms of repayment. This loan was repaid in full subsequent to June 30, 2019.

On June 18, 2019, the Company entered into a loan agreement with Sulliden Mining Capital Inc. in the amount of $86,000. The loan was unsecured, had an interest rate of 12% per annum and was due to be repaid no later than August 17, 2019. The loan principal of $86,000 plus accrued interest of $424 were repaid in full subsequent to June 30, 2019.

12. Subsequent events

Private placement

On July 4, 2019, the Company issued 8,610,000 units of the Company at a price of C$0.36 per unit for gross proceeds of C$3,099,600 ($2,373,535) on completion of a brokered private placement offering. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of C$0.47 per share until July 4, 2021. The Company paid C$216,972 ($166,148) in finder fees for this private placement and issued 602,700 broker warrants. Each broker warrant is exercisable to acquire one common share of the Company at a price of C$0.47 until July 4, 2021.

See Note 11.