



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

(UNAUDITED)

Table of Contents

Interim Consolidated Statement of Financial Position	4
Interim Consolidated Statements of Loss and Comprehensive Loss/(Income)....	5
Interim Consolidated Statements of Changes in Shareholders' Equity	6
Interim Consolidated Statements of Cash Flows	7
Notes to the Interim Condensed Consolidated Financial Statements	
1) Reporting entity	8
2) Basis of preparation	8
a) Significant accounting policies.....	8
b) Statement of compliance	8
c) Basis of measurement	8
d) Functional and presentation currency	8
e) Critical judgements and key sources of estimation.....	8
3) IFRS accounting pronouncements.....	9
a) Changes in IFRS effective for the first time	9
i) IFRIC 22, Foreign Currency Transactions and Advance Consideration	9
ii) IFRS 9, Financial Instruments	9
iii) IFRS 15, Revenue from Contracts with Customers.....	11
iv) IFRS 2, Share-Based Payment.....	11
b) Future accounting pronouncements	11
i) IFRS 16, Leases	11
ii) IFRIC 23, Uncertainty over Income Tax Treatments.....	12
4) Exploration and evaluation assets.....	12
5) Other payables	12
6) Share capital.....	13
a) Loss per share	13
b) Diluted earnings per share	13
7) Share based payments.....	13
a) Details of share options	14
b) Details of restricted share units	15
8) Expenses	15
9) Related party transactions.....	15
a) Transactions with related parties.....	16
b) Remuneration of directors and officers	16
10) Commitments and contingencies.....	16
a) Commitments.....	16

Table of Contents (continued)

<i>b) Contingent liability</i>	16
11) Segmented information	17

INV METALS INC.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN CANADIAN DOLLARS)

<i>As at</i>	June 30, 2018	December 31, 2017
Assets		
Current assets		
Cash	\$ 11,103,715	\$ 19,139,960
Other receivables	704,868	715,710
Total current assets	11,808,583	19,855,670
Non-current assets		
Investments	552,413	577,868
Property, plant and equipment	369,316	339,618
Exploration and evaluation assets (note 4)	66,430,521	57,407,535
Total non-current assets	67,352,250	58,325,021
Total assets	\$ 79,160,833	\$ 78,180,691
Liabilities		
Current liabilities		
Other payables (note 5)	\$ 1,248,588	\$ 1,199,672
Total current liabilities	1,248,588	1,199,672
Non-current liabilities		
Provisions	1,019,442	974,636
Total non-current liabilities	1,019,442	974,636
Total liabilities	2,268,030	2,174,308
Equity		
Share capital (note 6)	135,787,827	135,803,542
Contributed surplus (note 7)	13,163,520	12,643,569
Deficit	(81,240,718)	(79,074,524)
Accumulated other comprehensive income	9,182,174	6,633,796
Total equity attributed to equity holders of the Company	76,892,803	76,006,383
Total liabilities and equity	\$ 79,160,833	\$ 78,180,691

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

INV METALS INC.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS /(INCOME)
(IN CANADIAN DOLLARS)

	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Operations				
General and administration (note 8)	\$ 140,498	\$ 190,506	\$ 297,031	\$ 374,852
Compensation (note 8)	1,235,230	672,520	1,835,079	1,517,017
Professional fees	53,442	53,959	94,329	125,510
Fair value loss/(gain) on investments	33,701	42,113	37,076	(65,689)
Other expenses and general exploration	-	27,347	-	840,906
Foreign exchange loss/(gain)	37,834	178,285	(2,249)	185,391
Operating loss	1,500,705	1,164,730	2,261,266	2,977,987
Finance income	(41,826)	(59,445)	(95,072)	(92,791)
Total loss for the period	\$ 1,458,879	\$ 1,105,285	\$ 2,166,194	\$ 2,885,196
Other comprehensive (income)/loss				
Items that may be reclassified to profit or loss				
Cumulative translation adjustment	(1,069,408)	1,367,952	(2,548,378)	1,703,950
Total comprehensive loss/(income) for the period	\$ 389,471	\$ 2,473,237	\$ (382,184)	\$ 4,589,146
Basic and diluted total loss per share from continuing operations (note 6)	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.03

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

INV METALS INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(IN CANADIAN DOLLARS)

Equity attributable to owners of the Company

	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income/(Loss)	Total
Balance January 1, 2017	\$ 110,359,748	\$ 11,479,822	\$ (74,316,523)	\$ 10,286,201	\$ 57,809,248
Total loss for the period	-	-	(2,885,196)	-	(2,885,196)
Cumulative translation adjustment	-	-	-	(1,703,950)	(1,703,950)
Total comprehensive (loss) for the period	-	-	(2,885,196)	(1,703,950)	(4,589,146)
Issuance of shares - equity financing	25,306,867	-	-	-	25,306,867
Issuance of shares - restricted share unit exercise	39,937	(39,937)	-	-	-
Share-based compensation	-	745,746	-	-	745,746
Transactions directly attributed to equity	25,346,804	705,809	-	-	26,052,613
Balance June 30, 2017	\$ 135,706,552	\$ 12,185,631	\$ (77,201,719)	\$ 8,582,251	\$ 79,272,715

Equity attributable to owners of the Company

	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income/(Loss)	Total
Balance January 1, 2018	\$ 135,803,542	\$ 12,643,569	\$ (79,074,524)	\$ 6,633,796	\$ 76,006,383
Total loss for the period	-	-	(2,166,194)	-	(2,166,194)
Cumulative translation adjustment	-	-	-	2,548,378	2,548,378
Total comprehensive (loss)/income for the period	-	-	(2,166,194)	2,548,378	382,184
Issuance of shares - equity financing	(30,000)	-	-	-	(30,000)
Issuance of shares - restricted share unit exercise (note 7)	14,285	(14,285)	-	-	-
Share-based compensation (note 7)	-	534,236	-	-	534,236
Transactions directly attributed to equity	(15,715)	519,951	-	-	504,236
Balance June 30, 2018	\$ 135,787,827	\$ 13,163,520	\$ (81,240,718)	\$ 9,182,174	\$ 76,892,803

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

INV METALS INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN CANADIAN DOLLARS)

<i>For the six-month periods ended</i>	June 30, 2018	June 30, 2017
Cash flows from operating activities		
Total loss for the period	\$ (2,166,194)	\$ (2,885,196)
Adjustments for:		
Unrealized fair value gain on investments	37,076	(65,689)
Depreciation	1,601	3,224
Finance income	(95,072)	(92,791)
Unrealized loss on foreign exchange	10,645	(150,852)
Share-based compensation (note 7)	489,761	644,854
	(1,722,183)	(2,546,450)
Change in items of working capital:		
Change in other receivables	17,118	(80,552)
Change in other payables	137,231	139,884
	154,349	59,332
Net cash used in operating activities	(1,567,834)	(2,487,118)
Cash flows from investing activities		
Interest received	95,072	92,791
Additions to exploration properties (note 4)	(6,536,685)	(4,734,046)
Additions of property, plant and equipment	(14,267)	-
Net cash used in investing activities	(6,455,880)	(4,641,255)
Cash flows from financing activities		
Proceeds from equity financing	-	25,306,867
Net cash sources from financing activities	-	25,306,867
Net (decrease)/increase in cash	(8,023,714)	18,178,494
Cash, beginning of period	19,139,960	8,737,850
Effect of exchange rate fluctuations on cash held	(12,531)	131,692
Cash, end of period	\$ 11,103,715	\$ 27,048,036

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

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

1) Reporting entity

INV Metals Inc. (“INV Metals” or the “Company”) is a publicly listed company incorporated in Canada. The address of the Company’s registered office is 55 University Avenue, Suite 700, Toronto, Ontario, Canada. The unaudited interim condensed consolidated financial statements (“Financial Statements”) of the Company as at and for the three and six-months periods ended June 30, 2018 and 2017 include the Company and its subsidiaries (together the “Group” and individually as “Group entities”). The Group is primarily in the business of acquiring, exploring and developing mineral deposits in Ecuador.

2) Basis of preparation

a) Significant accounting policies

The Company’s accounting policies applied to all periods presented in these Financial Statements are the same as those applied by the Company in its annual consolidated financial statements as at and for the year ended December 31, 2017, except as disclosed in note 3 a).

b) Statement of compliance

These Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) *IAS 34 - Interim Financial Reporting* and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These Financial Statements were approved by the Audit Committee for issue on August 13, 2018.

c) Basis of measurement

The Financial Statements have been prepared on the historical cost basis with the exception of financial assets at fair value through profit and loss, which are measured at fair value.

d) Functional and presentation currency

These Financial Statements are presented in Canadian dollars. Items included in the Financial Statements of each consolidated entity of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company and its subsidiaries were evaluated on an individual basis and were each determined to have Canadian dollar functional currencies with the exception of INV Minerales Ecuador S.A. (“INV Minerales”) whose functional currency is the United States (“US”) dollar.

e) Critical judgements and key sources of estimation

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and

2) Basis of preparation (continued)

e) Critical judgements and key sources of estimation (continued)

associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these Financial Statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2017.

3) IFRS accounting pronouncements

a) Changes in IFRS effective for the first time

The following revised standards are effective for annual periods beginning on or after January 1, 2018. The Company has assessed the amendments and determined that there are no material impacts on the accounting and presentation of the Financial Statements.

i) IFRIC 22, Foreign Currency Transactions and Advance Consideration

IFRIC 22, Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2017 to provide interpretation guidance where:

- there is consideration that is denominated or priced in a foreign currency,
- an entity recognises a prepayment or a deferred liability in respect of that consideration in advance of recognition of the related asset; and
- where the prepayment asset or deferred income liability is non-monetary.

ii) IFRS 9, Financial Instruments

The Company adopted IFRS 9, Financial Instruments: ("IFRS 9") effective January 1, 2018. Classification of financial instruments under the new standard did not have a material impact. Further, no material changes were noted as a result of the new impairment model, and the Company does not currently engage in any hedging activity and is therefore not affected by the new hedge accounting guidance. Financial liabilities will continue to be measured at amortized cost.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Company classifies its financial instruments in the following categories:

3) IFRS accounting pronouncements (continued)

a) Changes in IFRS effective for the first time (continued)

ii) IFRS 9, Financial Instruments (continued)

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets measured at FVTPL are assets which do not qualify as financial assets at amortized cost or at fair value through other comprehensive income. Changes in fair values of FVTPL assets are recorded in the consolidated statement of loss and comprehensive loss/(income) in the period in which they arise. The Company currently has marketable securities classified as FVTPL.

Financial assets at amortized cost

Financial assets classified as amortized cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The Company's loans and receivables, which are not provisionally priced, are comprised of cash and interest receivable with fixed or determined cash flows related solely to principal and interest amounts. Financial assets at amortized cost are initially recognized at the amount expected to be received, net of any transaction costs incurred. Subsequently, loans and receivables are measured at amortized cost using the effective interest method. The Company recognizes a loss allowance for expected credit losses on a financial asset that is measured at amortized cost when applicable.

Financial liabilities at amortized cost

Financial liabilities at amortized cost include other payables, unless they are required to be measured at FVTPL, or the Company has opted to measure them at FVTPL. Other payables are comprised of trade payables and accrued liabilities and are recognized at the amount required to be paid. Provisions are recognized using the valuation of an actuary. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are liabilities which include embedded derivatives and cannot be classified as amortized cost. Financial liabilities at FVTPL are initially recognized at fair value with any changes to fair value recognized in the consolidated statement of loss and comprehensive loss/(income) in the period in which they arise. The Company does not currently have any financial liabilities at FVTPL.

The adoption of IFRS 9 did not impact the carrying value of any financial asset or financial liability on the transition date. The table below illustrates the change in classification of the Company's financial instruments under IAS 39 and IFRS 9.

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

3) IFRS accounting pronouncements (continued)

a) Changes in IFRS effective for the first time (continued)

ii) IFRS 9, Financial Instruments (continued)

Line Item	IFRS 9	IAS 39	
	New Classification	Original Classification	Measurement Model
Cash	FVTPL	FVTPL	FVTPL
Investments	FVTPL	FVTPL	FVTPL
Other receivables	Amortized cost	Loans and receivables	Amortized cost
Other payables	Amortized cost	Amortized cost	Amortized cost
Provisions	Amortized cost	Amortized cost	Amortized cost

iii) IFRS 15, Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) was adopted effective for annual periods beginning on or after January 1, 2018 and given that the Company does not have revenue from contracts with customers, there is no material impact from adoption of the standard.

iv) IFRS 2, Share-Based Payment

IFRS 2, Share-Based Payment (“IFRS 2”) was adopted January 1, 2018 and clarifies accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modification of share-based payment transactions from cash-settled to equity-settled. There is no impact from adoption of the standard, as its share-based plans do not presently employ these features.

b) Future accounting pronouncements

The following revised interpretation and standards are effective for annual periods as noted below. The Company has not fully assessed the standards, interpretations and amendments, but does not expect them to have a material impact on the Company’s accounting or disclosures, except as disclosed in i) below.

i) IFRS 16, Leases

IFRS 16, Leases (“IFRS 16”) was issued in January 2017 and specifies how an entity will recognize, measure, present and disclose leases. The standard 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. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard becomes effective for annual periods beginning on or after January 1, 2019 and management does not currently anticipate the early adoption of the standard. Preliminary review of leases commenced in 2017 with further analysis and quantification of impacts is underway in 2018. The Company expects to recognize lease liabilities and right-of-use assets, related debt amounts and

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

3) IFRS accounting pronouncements (continued)

b) Future accounting pronouncements (continued)

i) IFRS 16, Leases (continued)

corresponding depreciation and finance cost expenses in respect of operating leases previously expensed.

ii) IFRIC 23, Uncertainty over Income Tax Treatments

IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and is to be applied to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. This interpretation becomes effective for annual periods beginning on or after January 1, 2019 and management does not currently anticipate the early adoption of the standard.

4) Exploration and evaluation assets

The following table summarizes information regarding the Company's exploration and evaluation assets as at June 30, 2018 and December 31, 2017:

	June 30, 2018				
	January 1, 2018	Additions	Write-down	Exchange Differences	June 30, 2018
Ecuador property					
Loma Larga	\$ 55,936,133	\$ 5,184,129	\$ -	\$ 2,402,522	\$ 63,522,784
Exploration Properties	1,471,402	1,341,433	-	94,902	2,907,737
	\$ 57,407,535	\$ 6,525,562	\$ -	\$ 2,497,424	\$ 66,430,521
	December 31, 2017				
	January 1, 2017	Additions	Write-down	Exchange Differences	December 31, 2017
Ecuador property					
Loma Larga	\$ 48,687,558	\$ 10,555,817	\$ -	\$ (3,307,242)	\$ 55,936,133
Exploration Properties	-	1,524,938	-	(53,536)	1,471,402
Namibia property					
Kaoko	516,923	-	(516,923)	-	-
	\$ 49,204,481	\$ 12,080,755	\$ (516,923)	\$ (3,360,778)	\$ 57,407,535

5) Other payables

The following table summarizes information regarding the Company's other payables as at June 30, 2018 and December 31, 2017:

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

5) Other payables (continued)

As at	June 30, 2018	December 31, 2017
Accounts payable	\$ 817,329	\$ 855,296
Accrued liabilities	431,259	344,376
	\$ 1,248,588	\$ 1,199,672

6) Share capital

The following table summarizes information regarding the Company's share capital as at June 30, 2018 and December 31, 2017:

As at	June 30, 2018	December 31, 2017
Balance - number of shares	92,586,747	64,872,641
Issuance of common shares on equity financing	-	27,600,000
Exercise of restricted share units	11,904	114,106
	92,598,651	92,586,747

a) Loss per share

The basic loss per share for the three and six-month periods ended June 30, 2018 and 2017 was calculated using a weighted average number of common shares outstanding as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Common shares outstanding	92,586,747	64,872,641	92,586,747	64,872,641
Issuance of common shares in equity financing	-	27,600,000	-	18,400,000
Effect of share based compensation exercises	11,904	114,106	10,449	100,160
	92,598,651	92,586,747	92,597,196	83,372,801

b) Diluted earnings per share

The calculation of fully diluted loss per share has not been detailed in the note, as the effect of the conversion of outstanding stock options, warrants and restricted share units would be anti-dilutive.

7) Share based payments

The following table summarizes the stock option transactions for the six-month period ended June 30, 2018 and year ended December 31, 2017 as follows:

INV METALS INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)

7) Share based payments (continued)

	Number of Stock Options	Weighted- Average Exercise Price
Outstanding, January 1, 2017	4,384,500	\$ 0.83
Granted	3,405,000	0.99
Outstanding, December 31, 2017	7,789,500	\$ 0.88
Expired	(2,752,000)	1.00
Granted	2,671,700	0.54
Outstanding, June 30, 2018	7,709,200	\$ 0.74

a) Details of share options

The following table summarizes information regarding the Company's outstanding and exercisable stock options as at June 30, 2018:

Exercise Price Range	Number of Stock Options Outstanding	Weighted- Average Remaining Years of Contractual Life	Weighted Average Exercise Price	Number of Stock Options Exercisable	Weighted Average Exercisable Price
\$0.00 - 0.35	144,500	0.7	\$ 0.35	144,500	\$ 0.35
0.36 - 0.80	4,166,700	4.2	0.55	2,162,926	0.56
0.81 - 1.00	3,398,000	3.8	0.99	2,498,500	1.00
\$0.35 - 1.00	7,709,200	3.9	\$ 0.74	4,805,926	\$ 0.78

The table that follows summarizes information regarding the stock options granted by the Company in 2018 and 2017 as follows.

	2018	2017
Fair value at grant date	\$0.22	\$0.43
Share price at grant date	\$0.54	\$0.90
Exercise price	\$0.54	\$0.90 - \$1.00
Weighted average grant date fair value	\$0.22	\$0.43
Expected volatility	73%	90% - 95%
Expected dividend yield	0%	0%
Option life (expected weighted average life)	2 year	2 year
Forfeiture rate	0.08%	0.03% - 0.05%
Risk-free interest rate (based on government bonds)	1.95%	0.75% - 1.43%

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

7) Share based payments (continued)

b) Details of restricted share units

The following table summarizes the restricted share units for the six-month period ended June 30, 2018 and year ended December 31, 2017 as follows:

	Number of Restricted Shares	Weighted Average Fair Value of Restricted Shares
Outstanding, January 1, 2017	806,008	\$ 0.50
Exercised	(114,106)	1.20
Outstanding, December 31, 2017	691,902	\$ 0.38
Exercised	(11,904)	1.20
Outstanding, June 30, 2018	679,998	\$ 0.36

On January 22, 2018, an amount of \$14,285 was transferred to share capital upon exercise of restricted share units.

8) Expenses

The following table summarizes information regarding the Company's expenses from operations for the three and six-month periods ended June 30, 2018 and 2017:

	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
General and administration				
Shareholder and regulatory compliance	\$ 38,763	\$ 110,524	\$ 134,831	\$ 208,265
Travel	33,309	10,425	50,498	49,081
Office	68,426	69,557	111,702	117,506
	\$ 140,498	\$ 190,506	\$ 297,031	\$ 374,852
Compensation				
Compensation	\$ 918,201	\$ 366,796	\$1,345,318	\$ 872,163
Stock-based compensation	317,029	305,724	489,761	644,854
	\$1,235,230	\$ 672,520	\$1,835,079	\$1,517,017

9) Related party transactions

The Company's related parties and subsidiaries are the same as those presented by the Company in its annual consolidated financial statements as at and for the year ended December 31, 2017.

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

9) Related party transactions (continued)

a) Transactions with related parties

A company of which a director is the Chief Executive Officer provided advisory services to INV Metals in the amount of \$30,000 in relation to the 2017 equity financing.

b) Remuneration of directors and officers

The remuneration of directors and officers during the six-month periods ended June 30, 2018 and 2017 was as follows:

	June 30, 2018	June 30, 2017
Salaries of key management	\$ 911,040	\$ 597,525
Director fees	110,782	123,336
Stock-based compensation	460,048	606,870
	\$ 1,481,870	\$ 1,327,731

10) Commitments and contingencies

a) Commitments

The Company has committed to payments under various leases and other commitments as outlined in the table below. The expenditures for amounts which may be required to maintain the Company's mineral properties in good standing are not outlined in the table below.

	Total	Less than One Year	Between 1 - 5 Years	More than 5 Years
Operating leases	\$ 1,052,107	\$ 306,161	\$ 745,946	\$ -
Environmental management plan	\$ 264,420	\$ 264,420	\$ -	\$ -

INV Metals has a lease arrangement for office space that was renewed in January 2018 and expires December 31, 2022. During the six-month period ended June 30, 2018 an amount of \$137,172 was recognized in total loss in respect of operating leases.

INV Minerales holds a term deposit relating to its environmental management plan for ongoing expenditures related to environmental matters.

b) Contingent liability

The Loma Larga Project is subject to a 5% Net Profit Interest, payable to Compagnie Générale des Matières Nucléaires (now "AREVA"), the original owner of the property. In addition, the Company must pay to AREVA, \$2.00 per ounce of gold, payable in three equal annual installments, contained in proven and probable mineral reserves and indicated and measured mineral resources, as defined by the completion of a bankable feasibility study ("FS") from the date on which the Board of Directors makes a formal production decision ("Production

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

10) Commitments and contingencies (continued)

b) Contingent liability (continued)

Decision"). Any contingent payments are subject to significant uncertainty based on many factors, including, but not limited to the completion of a positive economic FS, positive market conditions, the availability of project financing, positive operating conditions in Ecuador, and the acquisition of all relevant permits.

11) Segmented information

Segmented information is provided on the basis of geographical segments as the Company manages its business and exploration activities through geographical regions – Canada, Ecuador, Namibia and Barbados. The business segments presented reflect the management structure of the Company and the way in which the Company's executive officers review business performance on a quarterly basis.

The Company evaluates performance of its operating and reportable segments as noted in the following table:

<i>For the six-month period ended June 30, 2018</i>	Assets	Liabilities	Total Comprehensive Loss
Canada*	\$ 12,112,062	\$ 1,044,977	\$ 2,158,382
Ecuador	67,028,102	1,198,692	(2,548,377)
Namibia	11,747	1,213	3,373
Barbados	8,922	23,148	4,438
	\$ 79,160,833	\$ 2,268,030	\$ (382,184)

For the year ended December 31, 2017

	Assets	Liabilities
Canada*	\$ 20,010,232	\$ 1,035,450
Ecuador	58,145,290	1,094,263
Namibia	23,489	9,582
Barbados	1,680	35,013
	\$ 78,180,691	\$ 2,174,308

<i>For the six-month period ended June 30, 2017</i>	Total Comprehensive Loss
Canada*	\$ 2,037,701
Ecuador	2,544,856
Namibia	1,974
Barbados	4,615
	\$ 4,589,146

INV METALS INC.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2017
(IN CANADIAN DOLLARS)**

11) Segmented information (continued)

*All amounts listed in Canadian operating segment relate to Canadian corporate assets, liabilities and exploration properties less related impairment losses.