

Pathfinder Investment Outlook

For the week ending September 13th, 2019

Recap & Outlook: Ecuador Site Visit – Adventus Mining (TSXv:ADZN)

We recently travelled to Ecuador to visit projects owned by portfolio holding Adventus Mining Corporation (TSXv:ADZN). Over the last few years, Ecuador has made changes to their mining code that demonstrate the government's commitment to mining, increasing the attractiveness of this jurisdiction to investors. Adventus recognized the potential in Ecuador early on and amassed large, strategically selected land packages in a relatively underexplored region through a partnership with local mining exploration company Salazar Resources Limited (TSXv:SRL).

Adventus has three properties in partnership with Salazar, their flagship asset Curipamba and two exploration concessions, Pijili and Santiago. Curipamba is a large property hosting the El Domo deposit, a Volcanic Massive Sulphide (VMS) deposit that recently showed attractive initial economics via a PEA, highlighting an NPV (8%, after-tax) of US\$288M and an IRR of 40%. VMS deposits can be thought of as the equivalence to ancient underwater hot springs (or black smokers) that form flat lenses of a mixture of metals (Cu, Zn, Pb, Ag, and Au) at or near the seafloor. The continual volcanic activity and on-going venting from today's black smokers on the sea floor will eventually become the VMS deposits of tomorrow.

As Adventus advances the El Domo deposit, they will look to make additional nearby discoveries at Curipamba and launch initial drill programs on their exploration concessions at Pijili and Santiago. Based on our field visit, we are optimistic about the potential for all three properties. At Curipamba, we visited multiple high-grade showings throughout the property which highlighted the possibility for additional discoveries. At Pijili, we encountered historic artisanal mining tunnels. This is important, as the tunnels indicate near-surface, high grade potential. Pijili is located in the Andes and we encountered outcrops as we descended the mountain, indicating what appears to be a complete mineralized system with large tonnage potential.

"This means that" site visits are an integral part of our research process that give us increased company knowledge and an edge in stock selection. Fun fact: out of over 20 institutional investors who participated in the recent Adventus financing, we were the only group that visited the project in person.

Rob Ballard, CFA | Portfolio Manager

Gary Sidhu | Analyst

Mark Ouellette | Trader

Hand-dug artisional mining tunnels at Pijili



Source: Rob Ballard, Pathfinder Asset Management

Hand-dug artisional mining tunnels at Pijili



Source: Rob Ballard, Pathfinder Asset Management

Inspecting drill core at the shack (background: Cacao tree)



Source: Rob Ballard, Pathfinder Asset Management



Sampling a high-grade gold outcrop at Curipamba



Source: Rob Ballard, Pathfinder Asset Management

Horseback exploration in the Andes



Source: Rob Ballard, Pathfinder Asset Management



Pathfinder Asset Management Ltd. | Equally Invested

1320-885 W. Georgia Street, Vancouver, BC V6C 3E8

E info@paml.ca | T 604 682 7312 | www.paml.ca

Sources: Bloomberg, Pathfinder Asset Management Limited

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