ADVENTUS
ZINC CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

AND THE 69-DAY PERIOD FROM OCTOBER 24 TO DECEMBER 31, 2016

Independent Auditor's Report

To the Shareholders of Adventus Zinc Corporation

We have audited the accompanying consolidated financial statements of Adventus Zinc Corporation, which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016, and the consolidated statements of loss, consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the year ended December 31, 2017 and the 69-day period ended December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Adventus Zinc Corporation as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the year ended December 31, 2017 and the 69-day period ended December 31, 2016, in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants
April 24, 2018
Toronto, Ontario

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ADVENTUS ZINC CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31,

(expressed in Canadian dollars)	Notes		2017		2016
ASSETS					
Current assets					
Cash and cash equivalents	7	$	10,784,319	$	7,934,425
Advances	8		681,561		-
Other receivables and prepaid expenses	8		255,170		301,798
Total current assets		$	11,721,050	$	8,236,223
Non-current assets					
Exploration and evaluation assets	10(a) 10(b)	$	3,491,369	$	1,250,664
Option to acquire mineral interest	10(c)		3,117,192		-
Equipment	9		11,668		-
Total non-current assets		$	6,620,229	$	1,250,664
TOTAL ASSETS		$	18,341,279	$	9,486,887
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	1,117,933	$	770,860
Total Current liabilities		$	1,117,933	$	770,860
Equity					
Shareholders' equity	14	$	17,223,346	$	8,716,027
Total equity		$	17,223,346	$	8,716,027
TOTAL LIABILITIES AND EQUITY		$	18,341,279	$	9,486,887

Commitments (Note 18)

Subsequent events (Note 19)

On behalf of the Board (Approved on April 24, 2018)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Paul Sweeney"

Paul Sweeney, Director

CONSOLIDATED STATEMENTS OF LOSS
FOR THE

(expressed in Canadian dollars)	Notes		Year ended December 31, 2017		Period from October 24 to December 31, 2016 (Note 1)
Revenue					
Interest income	11	$	7,222	$	-
			7,222		-
Expenses					
General and administrative	11		2,670,672		293,865
Share-based compensation	14(b)		606,994		6,852
Generative exploration	12		497,350		1,572
Depreciation	9		3,780		-
Foreign exchange loss			55,226		-
		$	3,834,022		302,289
Loss before income taxes		$	(3,826,800)	$	(302,289)
Income tax expense		$	-	$	-
Net loss		$	(3,826,800)	$	(302,289)
Net loss per share					
Basic and diluted	14(d)	$	(0.08)	$	(0.03)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE

(expressed in Canadian dollars)	Notes		Year ended December 31, 2017		Period from October 24 to December 31, 2016 (Note 1)
Net loss		$	(3,826,800)	$	(302,289)
Other comprehensive gain					
To be reclassified subsequently to profit or loss					
Foreign currency translation adjustment			11,838		79
Total comprehensive loss		$	(3,814,962)	$	(302,210)

Consolidated Statements of Cash Flows
For the

(expressed in Canadian dollars)	Notes		Year ended December 31, 2017		Period from October 24 to December 31, 2016 (Note 1)
Operating activities					
Net loss		$	(3,826,800)	$	(302,289)
Adjustments for operating activities:					
Depreciation	9		3,780		-
Share-based compensation	14(b)		606,994		6,852
Generative exploration	12		497,350		1,572
Unrealized exchange loss			46,252		-
		$	(2,672,424)	$	(293,865)
Changes in non-cash operating working capital:					
Other receivables and prepaid expenses	8		46,628		(301,798)
Accounts payable and accrued liabilities			120,140		598,931
		$	166,768	$	297,133
Cash (used in) provided by operating activities		$	(2,505,656)	$	3,268
Investing activities					
Generative exploration	12		(497,350)		(1,572)
Exploration and evaluation assets, net of recoveries	10(a) 10(b)		(1,995,031)		(31,237)
Advance made for option to purchase mineral rights	8		(681,561)		-
Equipment	9		(15,448)		-
Option to purchase mineral rights	10(c)		(3,182,185)		-
Cash used in investing activities		$	(6,371,575)	$	(32,809)
Financing activities					
Net proceeds from issuance of shares	14(a)		11,715,287		7,963,887
Cash provided by financing activities		$	11,715,287	$	7,963,887
Net increase in cash			2,838,056		7,934,346
Effect of foreign exchange on cash and cash equivalents			11,838		79
Cash, beginning of period			7,934,425		-
Cash and cash equivalents, end of period		$	10,784,319	$	7,934,425
Cash and cash equivalents consist of:					
Deposits with banks			10,683,710		7,934,425
Short term deposits			100,609		-
Cash and cash equivalents, end of period		$	10,784,319	$	7,934,425

ADVENTUS ZINC CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(expressed in Canadian dollars, except share amounts)	Notes	Common Shares Number	Common Shares Amount	Contributed Surplus	Warrants	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Issued on incorporation, October 24, 2016		1	$ 1	$ -	$ -	$ -	$ -	$ 1
Shares exchanged for Irish properties	6, 14(a)	4,000,014	333,709	-	-	-	-	333,709
Shares exchanged for Newfoundland properties	6, 14(a)	3,570,000	713,789	-	-	-	-	713,789
Shares issued under private placement	14(a)	32,000,000	8,000,000	-	-	-	-	8,000,000
Share issuance costs	14(a)	-	(36,114)	-	-	-	-	(36,114)
Share-based compensation	14(b)	-	-	6,852	-	-	-	6,852
Net loss and comprehensive loss, October 24, 2016 to December 31, 2016		-	-	-	-	79	(302,289)	(302,210)
Balance, December 31, 2016		39,570,015	$ 9,011,385	$ 6,852	$ -	$ 79	$ (302,289)	$ 8,716,027
Shares issued under offering and private placement	14(a)	17,363,637	13,000,001	-	-	-	-	13,000,001
Share issuance costs	14(a)	-	(1,284,714)	-		-	-	(1,284,714)
Brokers' warrants	14(c)	-	(83,665)	-	83,665	-	-	-
Share-based compensation	14(b)	-	-	606,994	-	-	-	606,994
Net loss and comprehensive loss for the year ended December 31, 2017		-	-	-	-	11,838	(3,826,800)	(3,814,962)
Balance, December 31, 2017		56,933,652	$ 20,643,007	$ 613,846	$ 83,665	$ 11,917	$ (4,129,089)	$ 17,223,346

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Adventus Zinc Corporation ("Adventus Zinc" or "the Corporation") is a mineral exploration and development company that is focused on the exploration and development of mineral properties. These include the Buchans property located in Newfoundland and Labrador and the Rathkeale and Lismore projects located in Ireland. It is funding exploration and development expenditures in the Curipamba property ("Curipamba") in Ecuador under an option agreement ("Option Agreement") to earn an interest in Curipamba.

The Corporation was incorporated on October 24, 2016 pursuant to the Canada Business Corporation Act. Its registered office is at 66 Kenmount Road, Suite 202, St. John's, NL, A1B 3V7, while its head office is at 550-220 Bay Street, Toronto, ON, M5J 2W4. It is listed on the TSX Venture Exchange under the symbol ADZN.

The Corporation was formed as a strategic initiative to acquire and focus efforts on zinc properties, specifically acquiring significant zinc development projects held by major mining companies. Buchans, Katie and other properties in Newfoundland and Labrador (collectively the "Newfoundland Properties") and the Rathkeale, Lismore and other properties in Ireland (collectively the "Irish Properties") were acquired by the Corporation on December 9, 2016 and December 8, 2016 respectively. In 2017, the Corporation expanded its activities into Ecuador when it signed the Option Agreement with Salazar Resources Limited ("Salazar") to earn an interest in Curipamba (See Note 10(c)).

Subsequent to the year end, the Corporation entered into an agreement with Canstar Resources Ltd. ("Canstar") and Altius Resources Inc. ("Altius") whereby Canstar, among other terms (see Note 19), will acquire Adventus Newfoundland Corporation ("Adventus NL"), a wholly owned subsidiary of the Corporation, in exchange for shares in Canstar.

The Corporation's consolidated financial statements were authorized for issue by the Board on April 24, 2018.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on an historical cost basis. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in Canadian dollars, unless otherwise stated.

Going concern

These consolidated financial statements have been prepared on a going concern basis. The Corporation reported a net loss of $3,826,800 for the year ended December 31, 2017. (October 24 to December 31, 2016: $302,289). The ability to continue operations in the normal course of business is dependent on several factors, including the Corporation's ability to secure funding.

Management is exploring all available options to secure funding, including equity financing and strategic partnerships. There exists an uncertainty as to the Corporation's ability to raise additional funds on favourable terms. In addition, the recoverability of the amount shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Corporation to obtain financing to continue to perform exploration activity or complete the development of the properties where necessary, or alternatively, upon the Corporation's ability to recover its incurred costs through a disposition of its interests, all of which are uncertain. These material uncertainties may cast significant doubt as to the ability of the Corporation to continue operations into the foreseeable future as a going concern and, accordingly, the ultimate appropriateness of the use of the accounting principles applicable to going concern. On December 16, 2016, a private financing was closed for gross proceeds of $8,000,000. On February 9, 2017, the Corporation closed an initial public offering for gross proceeds of $3,000,000. (Note 14(a)). On December 21, 2017, the Corporation closed a private placement for gross proceeds of $10,000,001.

2. BASIS OF PRESENTATION (CONTINUED)

The consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to statement of loss and comprehensive loss that might be necessary if the Corporation was unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Corporation and the entities controlled by the Corporation (its subsidiaries). Control exists when the Corporation has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Corporation has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Corporation considers all relevant facts and circumstances in assessing whether or not the Corporation's voting rights in an investee are sufficient to give it power, including the size of the Corporation's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Corporation, other vote holders or other parties; rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Corporation has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

The consolidated financial statements include all subsidiaries in the accounts of the Corporation for the periods presented. These subsidiaries are listed as follows:

Subsidiary	Ownership	Incorporated	Nature
Adventus Newfoundland Corporation	100%	Newfoundland and Labrador, Canada	Mineral exploration
Adventus Zinc Ireland Limited	100%	Ireland	Mineral exploration

(b) Financial instruments

The Corporation determines the classification of financial assets and financial liabilities at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification depends on the purpose for which the financial instruments were acquired, and their characteristics and/or management’s intent. Transaction costs with respect to instruments not classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments and amortized using the effective interest method.

The financial assets are classified as one of the following categories:

- Financial assets at fair value through profit or loss (“FVTPL”) are stated at fair value with any resultant gain or loss recognized in profit and loss. Attributable transaction costs are recognized in profit or loss as incurred. The Corporation classifies the option to acquire shares of an entity, which directly or indirectly holds an underlying mineral property interest, as FVTPL. The option derivative is measured at fair value at each reporting period, unless the value of the derivative is not reliably measurable at which point the investment is recognized at its cost.
- Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Loans and receivables are initially recognized at transaction value and subsequently carried at amortized cost less impairment loss. The Corporation classifies cash and cash equivalents, as well as advances and other receivables, as loans and receivables.
- Available for sale ("AFS") financial assets are stated at fair value with any resultant gain or loss recognized in other comprehensive income.

The financial liabilities are classified as one of the following categories:

- Financial liabilities at FVTPL are carried on the balance sheet at fair value with changes in fair value recognized in the consolidated statement of earnings (loss).
- Other-financial-liabilities are initially recorded at fair value including direct and incremental transaction costs and are subsequently measured at amortized cost using the effective interest method. The Corporation classifies its accounts payables and accrued liabilities as other-financial-liabilities.

(c) Cash and cash equivalents

Cash and cash equivalents consists of amounts on deposit with banks and short-term investments in money market instruments that are readily convertible to cash with initial terms to maturity of three months or less at the time of purchase. Cash and cash equivalents are classified as loans and receivables and carried at amortized cost.

(d) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment loss, if any, and is amortized at the following annual rates:

Computer equipment	50 % declining balance

Where parts of an item of an equipment have different useful lives, they are accounted for as separate items of equipment, and depreciated over their respective lives.

(e) Exploration and evaluation assets

The Corporation defers costs for mineral properties and exploration costs when it has in its possession the legal right to explore for mineral deposits on a given property. General prospecting and exploration costs incurred prior to the staking of specific mineral claims are expensed immediately. Exploration and evaluation assets include the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of geologists' and prospectors' salaries based on time spent, and other costs directly related to specific properties. Mineral properties acquired for share consideration are recorded at the fair value of the mineral properties received.

Incidental revenue and cost recoveries relating to exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation assets to which the fees and payments relate, and any excess as other revenue on the statement of net loss.

Management reviews the carrying values of exploration and evaluation assets' costs on a quarterly basis. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases, and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if further exploration is warranted and if there is an indication of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If a mineral property is abandoned, or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against earnings in the year of abandonment or determination of impairment. The amounts recorded as exploration and evaluation assets represent unamortized costs to date and do not necessarily reflect present or future values.

The accumulated costs of exploration and evaluation assets that are developed to the stage of technical feasibility and commercial viability will be amortized to operations on a units-of-production basis over the life of the economically recoverable reserves.

(f) Decommissioning and restoration provision

The Corporation recognizes a provision for decommissioning and restoration costs associated with long-lived assets which includes the abandonment of exploration and evaluation assets and costs required to return the properties to their original condition.

The Corporation recognizes the fair value of the provision in the period in which the obligation is identified and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows to abandon or reclaim the asset at the Corporation's risk-free interest rate. The provision is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the consolidated statement of loss. The provision is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows. The increase in the carrying value of the asset is amortized on the same basis as the exploration and evaluation assets.

(g) Impairment of Property, Plant and Equipment

At each reporting date the carrying amounts of property, plant and equipment are reviewed to determine whether there is any indication that those assets are impaired. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as impairment expense. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as an impairment reversal for the period.

(h) Provisions

In general, provisions are recognized when the Corporation has a present obligation (legal or constructive) as the result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability. The expense relating to any provision is presented in general and administrative expenses, depending on the nature of the provision. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized as financing expense. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Income taxes

The Corporation follows the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are recognized based on the expected future tax consequences of unused tax losses, unused tax credits, and differences between the carrying amount of balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse. Deferred income tax assets are recognized to the extent it is probable they will be realized.

(j) Foreign currency translation

The functional currency of the Corporation and Adventus NL is the Canadian dollar and the functional currency of Adventus Zinc Ireland Corporation ("Adventus Ireland") is the Euro. The presentation currency of these consolidated financial statements is the Canadian dollar. On consolidation, the assets and liabilities of foreign operations are translated to Canadian dollars at the exchange rates in effect at the reporting date and the income and expenses of foreign operations are translated to Canadian dollars at rates that approximate the exchange rates at the dates of the transactions. All foreign exchange differences resulting from the translation from functional currency to the presentation currency are reported in Other Comprehensive Income.

(k) Foreign currency transactions

Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the date of the transaction. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Gains and losses on translation of monetary assets and liabilities are included in the determination of net loss for the period.

The Corporation's subsidiaries with non-Canadian dollar functional currencies are translated using the rate in effect at the balance sheet date for assets and liabilities, and using the average exchange rates during the period for revenue and expenses. The resulting translation adjustment is recorded as a separate component of accumulated other comprehensive loss.

(l) Revenue recognition

Interest income is recognized on an accrual basis. Other revenue is recognized when the services are provided, when persuasive evidence of an arrangement exists, the fixed price is determinable, and there is reasonable assurance of collection.

(m) Share-based Payments

Stock options granted to employees, directors and non-employees are accounted for using the fair value method. The compensation cost for options granted is determined based on the estimated fair value of the stock options at the time of the grant using the Black-Scholes option pricing model and is amortized over the vesting period with an offset to share-based payment reserve. When options are exercised, the corresponding share-based payment reserve and the proceeds received by the Corporation are credited to share capital. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

(n) Earnings (loss) per share

Basic net earnings (loss) per share is calculated using the weighted average number of common shares outstanding for the respective periods.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Diluted earnings (loss) per share is calculated using the treasury stock method, whereby it is assumed that proceeds received on the exercise of in-the-money stock options are used to repurchase the Corporation's shares at the average market price during the period.

4. CRITICAL ACCOUNTING ESTIMATES

In preparing these consolidated financial statements in conformity with IFRS, the Corporation has to exercise significant judgment and make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ materially from those estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

Estimates and assumptions are continually evaluated and are based on historical experience, current and future economic conditions and other factors, including expectations of events that are believed to be reasonable under the circumstances.

(a) Significant judgements

In preparing these consolidated financial statements, the significant judgments made by management in applying the Corporation's accounting policies and the basis of consolidation include but are not limited to the following:

Economic recoverability and probability of future economic benefits of exploration and evaluation costs: the Corporation has determined that exploration drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgical information, scoping and feasibility studies, accessible facilities, and existing permits.

Impairment of Property, Plant and Equipment: At the end of each reporting period, the Corporation assesses each cash generating unit to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. The impairment analysis requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential, and operating performance. Fair value of exploration and evaluation properties is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account.

(b) Critical estimates

In preparing these consolidated financial statements, the key sources of estimation uncertainly include but are not limited to the following:

Income taxes: The Corporation has available unused operating losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Share based compensation: The fair value of certain share-based compensation units require judgment in the determination of fair value using assumptions on expected volatility, expected lives and other factors that could affect the value reported as an expense and as an obligation.

5. FUTURE ACCOUNTING PRONOUNCEMENTS

The following standards and amendments to standards are effective for annual reporting periods beginning on or after January 1, 2018 or later, with earlier adoption permitted.

IFRS 9 - Financial Instruments was issued by the IASB on July 24, 2014 and will replace *IAS 39, "Financial instruments: recognition and measurement"* (IAS 39). IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Corporation will adopt IFRS 9 for the year beginning January 1, 2018 and will apply the standard on a modified retrospective approach using the available transitional provisions. Under this approach, the 2017 comparative period will not be restated and a cumulative transitional adjustment to the opening retained earnings balance will be recognized at January 1, 2018. The Corporation is currently evaluating the impact of this standard on its consolidated financial statements and does not expect to see changes in its classification and measurement of financial instruments.

IFRS 15 - Revenue from Contracts with Customers. This standard is effective for annual periods beginning on or after January 1, 2018 and provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Corporation will adopt IFRS 15 for the year beginning on January 1, 2018. The Corporation's revenue currently consists only of interest income and does not have any revenue from contracts with customers. As such, it does not expect that any restatement of the 2017 comparative period or cumulative transitional adjustment to the opening retained earnings will be required.

IFRS 16 – Leases: This standard was issued by the IASB on January 13, 2016, and will replace IAS 17 "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting remains largely unchanged. The new standard is effective for annual periods beginning on or after January 1, 2019.

The Corporation does not have any lease obligations as at December 31, 2017 and has not early adopted IFRS 16. It will continue to assess the impact of this standard on its consolidated financial statements for 2018 when it starts to enter into leases. (Note 19).

6. ACQUISITIONS

Acquisition of Newfoundland Properties and Adventus NL

Pursuant to an agreement of purchase and sale (the "Newfoundland Properties Agreement") dated November 16, 2016 between Altius Resources Inc. ("Altius") and Adventus NL, then a wholly-owned subsidiary of Altius, Altius transferred to Adventus NL the Newfoundland Properties, subject to the retention of a 2% net smelter returns ("NSR") royalty by Altius, in exchange for Common Shares of Adventus NL. Adventus NL and Altius also entered into a royalty agreement dated November 16, 2016 (the "Newfoundland Royalty Agreement") setting forth the terms under which Altius retains such 2% NSR royalty on production of mineral products from the Newfoundland Properties, subject to reduction for underlying royalty obligations on certain claims forming part of the Katie project which Adventus NL has acquired. The Newfoundland Royalty Agreement provides for an area of interest around each of the Newfoundland Properties and prohibits the granting of further royalties on the Newfoundland Properties.

Following the acquisition of the Newfoundland Properties by Adventus NL, the Corporation entered into an agreement of purchase and sale dated December 9, 2016 pursuant to which the Corporation acquired all of the outstanding shares of Adventus NL from Altius in consideration of the issuance of 3,570,000 common shares to Altius.

6. ACQUISITIONS (CONTINUED)

Acquisition of Irish Properties and Adventus Ireland

Adventus Ireland was incorporated in Ireland on October 27, 2016 for the purpose of acquiring the Irish Properties from Adventus Exploration Limited ("Altius Ireland"), a subsidiary of Altius in which Altius has an 80% interest. On incorporation, approximately 80% of the outstanding ordinary shares of Adventus Ireland were beneficially owned by Altius and the remaining 20% were beneficially owned by other shareholders of Altius Ireland.

On November 29, 2016, under a scheme of reconstruction pursuant to a business transfer agreement between Altius Ireland and Adventus Ireland (the "Irish Property Agreement"), Altius Ireland transferred to Adventus Ireland the Irish Properties, and certain associated assets, employees and liabilities, in consideration of the issuance of shares of Adventus Ireland to the shareholders of Altius Ireland pro rata to their shareholdings in Altius Ireland. Pursuant to the Irish Properties Agreement, Adventus Ireland entered into a Royalty agreement dated November 29, 2016 (the "Irish Royalty Agreement") whereby Altius Ireland retains a 2% net smelter returns royalty on production of mineral products from the Irish Properties (excluding the Kingscourt joint venture project). Pursuant to the Irish Royalty Agreement, any transfer or assignment of the Irish Properties is subject to the approval by Altius Ireland of the financial standing of the proposed purchaser or assignee. In addition, Adventus Ireland is prohibited from granting any additional royalties on the Irish Properties. The Irish Royalty Agreement also includes an area of interest clause.

The Corporation acquired all the issued and outstanding shares of Adventus Ireland on December 8, 2016 pursuant to a share purchase agreement dated December 7, 2016 among the Corporation, Altius and the remaining shareholders of Adventus Ireland in consideration of the issuance of 4,000,014 Common Shares to the shareholders of Adventus Ireland (including 3,200,000 Common Shares to Altius).

Curipamba Option Agreement

On October 5, 2017, the Corporation closed the previously signed Option Agreement with Salazar whereby the Corporation may earn a 75% interest in Salazar's Curipamba project located in Ecuador by funding exploration and development expenditures of US$25 million over the following five years (the "Option Period"). The agreement contemplates that a feasibility study is to be completed within three years, after which the Corporation is required to fund 100% of the development and construction expenditures to commercial production.

During the Option Period, Salazar will manage the exploration and stakeholder relations for Curipamba in return for a 10% management fee on certain expenditures, subject to a minimum of US$350,000 per year. In addition, the Corporation will provide Salazar with a US$250,000 annual advance payment until the achievement of commercial production, subject to a maximum cumulative total of US$1.5 million, the amount of which will not be refunded should the Option Agreement be terminated without the option having been exercised.

Upon achievement of commercial production, Adventus will receive 95% of the dividends from the Curipamba project until its aggregate investment, including the US$25 million, has been recouped minus the approximate Salazar carrying value of US$18.2 million when the Option Agreement was signed, after which dividends will be shared on a pro-rata basis with Salazar according to their respective ownership, that is, 75% to the Corporation and 25% to Salazar. In certain circumstances where project development is delayed post earn-in, Adventus' ownership position could be diluted.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

(expressed in Canadian dollars)		December 31, 2017		December 31, 2016
Cash	$	10,683,710	$	7,934,425
Short-term deposits		100,609		-
Total cash and cash equivalents	$	10,784,319	$	7,934,425

8. ADVANCES, OTHER RECEIVABLES AND PREPAID EXPENSES

Advances represent amounts in relation to the option to acquire mineral interests that have been paid to Salazar for project expenditures in Curipamba but have not been spent. No interest is receivable on the advances. Other receivables include sales tax recoverable from the government and deposits paid to suppliers.

(expressed in Canadian dollars)		December 31, 2017		December 31, 2016
Advances made for option to purchase mineral interests	$	681,561	$	-
Total advances	$	681,561	$	-
Sales tax receivables	$	150,503	$	86,610
Total other receivables	$	150,503	$	86,610
Deferred share issue costs	$	-	$	194,890
Deposits with suppliers		78,883		-
Other prepaid expenses		25,784		20,298
Total prepaid expenses	$	104,667	$	215,188
Total other receivables and prepaid expenses	$	255,170	$	301,798

9. EQUIPMENT

Cost (expressed in Canadian dollars)		Computer Equipment
Balance as at December 31, 2016	$	-
Additions		15,448
Balance as at December 31, 2017	$	15,448

Accumulated depreciation (expressed in Canadian dollars)		Computer Equipment
Balance as at December 31, 2016	$	-
Additions		3,780
Balance as at December 31, 2017	$	3,780

Net (expressed in Canadian dollars)		Computer Equipment
As at December 31, 2017	$	11,668

10. EXPLORATION AND EVALUATION ASSETS AND OPTION TO ACQUIRE MINERAL INTEREST

The Corporation has the following exploration and evaluation assets and an option to acquire mineral interest:

Project (expressed in Canadian dollars)		As at December 31, 2016		Additions, net of recoveries		As at December 31, 2017
Ireland						
Rathkeale Limerick	$	219,728	$	1,244,395		1,464,123
Shrule		124,701		7,999		132,700
Kingscourt		131,860		6,313		138,173
Lismore Waterford		60,586		446,884		507,470
Fermoy		-		8,814		8,814
Gaine River		-		2,820		2,820
Moyvore		-		7,470		7,470
Newfoundland & Labrador						
Buchans		517,268		447,169		964,437
Katie		189,169		46,455		235,624
La Poile		5,252		6,641		11,893
Security Deposits		2,100		15,745		17,845
Total Mineral Properties	$	1,250,664	$	2,240,705	$	3,491,369
Curipamba	$	-	$	3,117,192	$	3,117,192

Project (expressed in Canadian dollars)	Notes		Acquisition (Notes 1 & 14)		Additions, net of recoveries		As at December 31, 2016
Ireland							
Rathkeale Limerick		$	89,226	$	130,502	$	219,728
Shrule			118,649		6,052		124,701
Kingscourt			125,834		6,026		131,860
Lismore Waterford			-		60,586		60,586
Newfoundland & Labrador							
Buchans			517,268		-		517,268
Katie			189,169		-		189,169
La Poile			5,252		-		5,252
Security Deposits			2,100		-		2,100
Total		$	1,047,498	$	203,166	$	1,250,664

The Corporation acquires exploration and evaluation assets through staking and from third party vendors. In addition, the Corporation may sell some or a portion of its exploration and evaluation to third parties in exchange for exploration expenditures, royalty interests, cash, and share-based payments.

As of December 31, 2017, the Corporation has included in its accounts payable an amount of $226,933 attributable to exploration and evaluation asset expenditures as well as expenditures for the option to acquire mineral interest. (2016: $171,929).

10. EXPLORATION AND EVALUATION ASSETS AND OPTION TO ACQUIRE MINERAL INTEREST

a. *Rathkeale Limerick, Shrule, Kingscourt, Lismore Waterford, Fermoy, Gaine River and Moyvore*

On December 8, 2016, the Corporation acquired a portfolio of zinc exploration projects at the then carrying values of $333,709 which included the Rathkeale, Shrule, and Kingscourt properties based in Ireland in exchange for common shares. These properties are subject to a 2% net smelter royalty due to Altius Ireland (excluding Kingscourt) (Notes 6 & 12).

In 2017, $1,244,395 was spent on Rathkeale (2016: $130,502) and $446,884 on Lismore (2016: $60,586) and $33,416 on the other Irish properties (2016: $12,078).

The carrying values of the Irish properties as at December 31, 2017 is $2,261,570 (2016: $536,875).

b. *Buchans, Katie, and La Poile*

On December 9, 2016, the Corporation acquired a portfolio of zinc exploration projects at the then carrying value of $713,789 which included the Buchans, Katie, and La Poile projects based in Newfoundland in exchange for common shares. These properties are subject to a 2% net smelter royalty due to Altius. (Notes 6 & 14).

On December 31, 2017, the work on the properties as secured by the security deposits had been completed and application had been made for the refund of the carrying amounts of $17,845 at that date. In 2017, $447,169 was spent on Buchans (2016: $NIL) and $53,096 (2016: $NIL) on the other Newfoundland properties, and $15,745 on security deposits.

The carrying values of the Newfoundland properties as at December 31, 2017 is $1,229,799 (2016: $713,789)

c. *Option to Acquire Mineral Interest (Curipamba project)*

On October 5, 2017, the previously signed Option Agreement with Salazar closed. In 2017, the Corporation invested $3,117,192 in the option to acquire a subsidiary of Salazar that holds indirectly the Curipamba project. Pursuant to the Option Agreement, It also paid Salazar US$250,000 in advance payments, which are not refundable should the Option Agreement be terminated with the option unexercised.

11. REVENUE AND GENERAL AND ADMINISTRATIVE EXPENSES

Revenue consists of interest income from cash and cash equivalents. Revenue and general and administrative expenses for the year ended December 31, 2017 and the period of 69 days from October 24 to December 31, 2016 are as follows:

(expressed in Canadian dollars)		2017		2016
Interest income	$	7,222	$	-
Total revenue	$	7,222	$	-
Salaries and benefits	$	1,134,440	$	98,788
Office and administrative		458,784		14,650
Professional and consulting fees		1,077,448		180,427
Total general and administrative	$	2,670,672	$	293,865

12. GENERATIVE EXPLORATION

In 2017, the Corporation invested in Ecuador, making an advance payment of US$250,000 to Salazar pursuant to the Option Agreement in Curipamba as well as spending US$144,151 in the Exploration Alliance. (Note 19).

(expressed in Canadian dollars)		December 31, 2017		December 31, 2016
Curipamba	$	313,725	$	-
Other projects		183,625		1,572
Total generative exploration	$	497,350	$	1,572

13. INCOME TAXES

The reconciliation of the effective tax expense (recovery) to the tax expense (recovery) computed using the combined Canadian federal and provincial statutory rate of 26.5% is as follows:

(expressed in Canadian dollars)		2017		2016
Loss before income taxes	$	(3,826,800)	$	(302,289)
Income tax expense (recovery) computed at the Canadian statutory rate		(1,014,102)		(80,107)
Different statutory tax rate applicable to foreign subsidiaries		19,225		11,579
Net permanent difference		160,853		1,816
Net movement in unrecognized temporary differences		834,024		66,712
Income tax expense (recovery)	$	-	$	-

As of December 31, 2017, the Corporation has gross net deductible temporary differences of $4,907,725 (2016: $514,430) for which no deferred tax has been recognized, as the realization of the benefits related to these potential tax deductions is uncertain and cannot be viewed as probable. Accordingly, no deferred income tax asset has been recognized for accounting purposes. The following table summarizes the Corporation's unrecognized net deductible temporary differences:

Item	Country		Amount	Expiry Date
Non-capital losses	Canada	$	3,473,961	2036-2037
Non-capital losses	Ireland		220,028	No expiry
Net temporary differences	Canada		1,213,735	No expiry
Income tax expense (recovery)		$	4,907,725	

14. SHAREHOLDERS' EQUITY

The Corporation is authorized to issue an unlimited number of common shares at no par value. The directors are authorized to fix the number of shares and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares.

(a) *Common Shares*

On December 21, 2017, the Corporation completed a private placement ("2017 Placement") pursuant to an underwriting agreement dated December 2, 2017 between the Corporation and a syndicate of various underwriters. The 2017 Placement consisted of 11,363,637 common shares of the Corporation at a price of $0.88 per common share, for aggregate gross proceeds of $10,000,001. On closing, the Corporation paid the underwriters a fee equal to 1% of the gross proceeds of the 2017 Placement in respect of any shares sold to certain existing shareholders and purchasers introduced by Adventus (the "President's List") and 6% of the remaining gross proceeds. The Corporation also issued broker warrants equal to 3% of the number of shares issued to purchasers who were not on the President's List. These broker warrants may be exercised within 24 months from the closing date of the 2017 Placement in exchange of common shares of the Corporation at the price of $0.88 per common share. The broker warrants are valued at $40,893 using Black-Scholes option pricing model and are accounted for as equity settled share based payment transactions as the services provided relate to the share issuance. An amount of $488,741 has been recorded as share issuance costs against the carrying value of the common shares.

On February 9, 2017, the Corporation closed an initial public offering (the "Offering") under a long-form prospectus. The Offering consisted of 6,000,000 common shares of the Corporation at a price of $0.50 per common share, for aggregate gross proceeds of $3,000,000. The common shares were offered for sale pursuant to an underwriting agreement dated December 16, 2016 among the Corporation and a syndicate of various underwriters. On closing, the Corporation paid the underwriters a fee equal to 2% of the gross proceeds of the Offering up to $1,000,000 received from purchasers identified on the President's List and 5% of the remaining gross proceeds of the Offering. The broker received 200,000 broker warrants in the Corporation and may exercise these warrants within 24 months from the Offering in exchange for common shares of the Corporation at the Offering price of $0.50. The broker warrants are valued at $42,772 using the Black-Scholes option pricing model and are accounted for as equity settled share based payment transactions as the services provided relate to the share issuance. Other share issue costs of $795,973 have been recorded against the carrying value of the common shares.

On December 16, 2016, the Corporation closed a private equity financing. The offering consisted of 32,000,000 common shares of the Corporation at a price of $0.25 per common share, for aggregate gross proceeds of $8,000,000. Share issue costs of $36,114 were recorded.

On December 9, 2016, the Corporation issued 3,570,000 shares in exchange for the transfer of exploration and evaluation assets of $713,789. On December 8, 2016, the Corporation issued 4,000,014 common shares in exchange for the transfer of exploration and evaluation assets of $333,709. Both transfers were recorded at their then carrying values as the Corporation was a subsidiary of Altius on those dates and were under common control.

(b) *Stock Options*

The Corporation has a stock option plan under which directors, officers and employees of the Corporation and of its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Corporation at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Corporation. Options granted under the plan generally have a term of five years but may not exceed five years and typically vest over a five-year period or at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the stock exchange(s) on which the Corporation's common shares are then listed.

14. SHAREHOLDERS' EQUITY (CONTINUED)

The following table summarizes the Corporation's stock option plan as of December 31, 2017 and changes during the periods then ended:

(expressed in Canadian dollars, except per share amounts)	Number of Options	Weighted Average Exercise Price
Options outstanding as at October 24, 2016	-	$ -
Granted	2,250,000	0.25
Options outstanding as at December 31, 2016	2,250,000	0.25
Granted	2,150,000	0.85
Balance as at December 31, 2017	4,400,000	$ 0.54

During the year ended December 31, 2017, the Corporation recorded share based compensation expense of $606,994 (2016: $6,852) relating to stock options vested to employees and directors in the period.

The weighted-average fair value of stock options granted during 2017 was estimated on the dates of grant to be $0.54 using the Black-Scholes option pricing model with the following assumptions:

	2017	2016
Expected life (years)	5.0	5.0
Risk-free interest rate (%)	1.36	1.09
Expected volatility (%)	79	79
Expected dividend yield (%)	-	-

There were no options exercised or expired/forfeited during the periods.

Stock options outstanding and exercisable as at December 31, 2017 and 2016 are as follows:

Range of exercise prices ($/option)	Number, outstanding at December 31, 2017	Number, exercisable at December 31, 2017	Weighted Average Remaining contractual life (years)
$0.00 - $0.25	2,250,000	750,000	3.97
$0.26 - $0.50	-	-	-
$0.51 - $0.75	-	-	-
$0.76 - $1.00	2,150,000	-	4.42
Balance as at December 31, 2017	4,400,000	750,000	4.19

Range of exercise prices ($/option)	Number, outstanding at December 31, 2016	Number, exercisable at December 31, 2016	Weighted Average Remaining contractual life (years)
$0.00 - $0.25	2,250,000	-	4.97
Balance as at December 31, 2016	2,250,000	-	4.97

14. SHAREHOLDERS' EQUITY (CONTINUED)

(c) Warrants

A summary of the number of common shares reserved pursuant to the Corporation's outstanding warrants at December 31, 2017 and 2016 and the movement during the year ended December 31, 2017 and the period from October 24 to December 31, 2016 are as follows:

(expressed in Canadian dollars, except per share amounts)	Number of Warrants		Weighted Average Exercise Price
Warrants outstanding as at October 24, 2016	-	$	-
Granted	-		-
Options outstanding as at December 31, 2016	-		-
Granted	354,925		0.67
Balance as at December 31, 2017	354,925	$	0.67

The following summarizes the number of common shares pursuant to the Corporation's warrants outstanding at December 31, 2017. No warrants were issued in 2016.

Number, outstanding at December 31, 2017		Exercise price	Expiry Date	Remaining life (years)
200,000	$	0.50	Feb 9, 2019	1.11
154,925		0.88	Dec 21, 2019	1.97
354,925	$	0.67		1.49

(d) Net loss per share

Basic and diluted net loss per share were calculated using the weighted average number of common shares for the respective periods. The diluted net loss per share was calculated using the weighted average number of common shares outstanding for the respective periods after giving effect to dilutive stock options. For loss periods, the diluted net loss per share was calculated using weighted average number of common shares outstanding for the respective periods without giving effect to dilutive stock options since their inclusion would be anti-dilutive.

	2017	2016
Weighted average number of shares		
Basic and diluted	45,271,385	10,001,600

15. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consists of members of the Corporation's Board of Directors and corporate officers. Compensation for key management personnel and directors for the year ended December 31, 2017 and the period from October 24 to December 31, 2016 is as follows:

(expressed in Canadian dollars)		2017		2016
Salaries and benefits	$	1,134,440	$	71,154
Share-based compensation		606,994		6,852
	$	1,741,434	$	78,006

During the year ended December 31, 2017 and the 69-day period from October 24 to December 31, 2016, the Corporation incurred charges of $422,570 (2016: $143,642) from Altius Minerals Corporation and/or its subsidiaries for management fees, technical consulting and exploration related expenses. As at December 31, 2017 the amounts included in accounts payable and accrued liabilities are $22,644 (2016: $143,642).

These transactions are in the normal course of operations and are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties.

These consolidated financial statements also reflect the contribution of assets from Altius and Adventus Ireland in relation to the Newfoundland and Irish Properties respectively. These assets were transferred at book values of $713,789 and $333,709 respectively in 2016 (Notes 6 & 14).

Resource Capital Fund VI L.P. ("RCF VI") held approximately 17.56% of Adventus and 15.09% of Salazar on an undiluted basis and had a seat on Salazar's board when the Option Agreement was signed. Adventus and Salazar are therefore "non-arm's length" parties, as they share a common insider. Adventus and Salazar have each received 50% plus one shareholder approval by written consent as well as TSX-V approval for the transaction. Subsequent to the year end, RCF VI disposed of its common shares in Salazar and retained only the warrants, which if exercised in its entirety, would represent approximately 7.02% of Salazar issued and outstanding shares on the date when the transaction was approved.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments recorded at fair value on the consolidated balance sheets are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; inputs that are derived principally from or corroborated by observable market data by correlation or other means; and estimates of expected volatility, expected life and expected risk-free rate of return, and;

Level 3 – valuation techniques with significant unobservable market inputs.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Corporation has classified its financial instruments as follows:

As at December 31, 2017 (expressed in Canadian dollars)	FYTPL	Loans and receivables	Other liabilities	Total
Financial Assets				
Short-term deposits	$ -	$ 100,609	$ -	$ 100,609
Other receivables	-	150,503	-	150,503
Advances made on option to acquire mineral interests	-	681,561	-	681,561
Option to acquire mineral interests	3,117,192	-	-	3,117,192
Total Financial Assets	$ 3,117,192	$ 932,673	$ -	$ 4, 049,865
Financial Liabilities				
Accounts payable and accruals	-	-	1,117,933	1,117,933
Total Financial Liabilities	$ -	-	1,117,933	$ 1,117,933

As at December 31, 2016 (expressed in Canadian dollars)	FYTPL	Loans and receivables	Other liabilities	Total
Financial Assets				
Other receivables	$ -	$ 86,610	$ -	$ 86,610
Total Financial Assets	$ -	$ 86,610	$ -	$ 86,610
Financial Liabilities				
Accounts payable and accruals	$ -	$ -	$ 770,860	$ 770,860
Total Financial Liabilities	$ -	$ -	$ 770,860	$ 770,860

The Corporation's financial assets as measured in accordance with the fair value hierarchy described above are:

As at December 31, 2017 (expressed in Canadian dollars)	Level 1	Level 2	Level 3	Total
Financial Assets				
Option to acquire mineral interests	$ -	$ -	$ 3,117,192	$ 3,117,192
Total Financial Assets	$ -	$ -	$ 3,117,192	$ 3,117,192

As at December 31, 2016 (expressed in Canadian dollars)	Level 1	Level 2	Level 3	Total
Financial Assets				
Option to acquire mineral interests	$ -	$ -	$ -	$ -
Total Financial Assets	$ -	$ -	$ -	$ -

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Risk Management

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure.

Credit Risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from receivables. The Corporation closely monitors its financial assets. All receivables are current and the allowance for doubtful account for the year ended December 31, 2017 and the 69 day period from October 24 to December 31, 2016 is $NIL and $NIL respectively. The Corporation's cash and cash equivalents are held in fully segregated accounts and include only Canadian and United States dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

Liquidity Risk

The Corporation believes that its ability to raise capital and improve net working capital position will enable it to meet current and future obligations at the current level of activity. This conclusion could change with a significant change in operations, the inability to obtain capital or financing from other developments.

Foreign currency risk

The Corporation is exposed to the financial risks related to the fluctuation of foreign exchange rates of the United States dollar relative to the Canadian dollar. As at December 31, 2017. The Corporation is exposed to currency risk through the following assets and liabilities denominated in the United States dollar:

(expressed in Canadian dollars)		2017		2016
Cash	$	2,533,768	$	-
Other receivables & prepaid expenses		-		-
Advances paid for option to acquire mineral rights		681,561		-
Option to acquire mineral rights		3,117,192		-
Accounts payable and accruals		(124,726)		-
Net asset exposure	$	6,207,795	$	-

The Corporation is exposed to the financial risks related to the fluctuation of foreign exchange rates of the Euro relative to the Canadian dollar. As at December 31, 2017. The Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

(expressed in Canadian dollars)		2017		2016
Cash	$	52,414	$	-
Other receivables & prepaid expenses		64,451		58,635
Advances paid for option to acquire mineral rights		-		-
Option to acquire mineral rights		-		-
Accounts payable and accruals		(230,115)		(356,439)
Net asset exposure	$	(113,250)	$	(297,804)

17. CAPITAL MANAGEMENT

The Corporation defines its capital as its total equity attributable to shareholders. The Corporation's objectives when managing capital is to maintain financial liquidity and flexibility to preserve its ability to meet financial obligations and to ensure that sufficient capital and access to capital for potential growth and to pursue generative exploration opportunities.

The Corporation does not have any externally imposed restrictions.

18. COMMITMENTS

Mineral property expenditures

The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance, in order to maintain the licenses in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, post a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $235,081 by December 31, 2018 in order to maintain various licenses in good standing.

Contractual obligations

The Corporation has certain royalty obligations on its properties. This includes a 2% NSR royalty on the Newfoundland Projects pursuant to the Newfoundland Royalty Agreement dated November 16, 2016 and a 2% NSR royalty on the Irish Properties pursuant to the Irish Royalty Agreement dated November 29, 2016.

Under the Option Agreement in Salazar, the Corporation shall pay to Salazar an annual advance payment of US$250,000 to an aggregate maximum of US$1,500,000 over the option period of five years. Should the Option Agreement be terminated without the Option having been exercised, any such amounts of advance payment made will not be refundable.

19. SUBSEQUENT EVENTS

Exploration Alliance

On September 14, 2017, the Corporation announced that it had entered into a Memorandum of Understanding with Salazar to form an exploration alliance to undertake exploration in Ecuador. On February 23, 2018, the Corporation closed on the Exploration Alliance Agreement ("Alliance Agreement") with Salazar. Pursuant to the Alliance Agreement, an Ecuadorian company ("Alliance"), owned as to 80% by Adventus and 20% by Salazar, will serve as the vehicle for any exploration projects that Adventus and Salazar agree to bring into the Alliance. Adventus will fund all activities in the Alliance up to a construction decision on any project. Once the project reaches a construction decision, separate joint-venture companies will be formed for each individual project with pro-rata funding requirements, and be subject to a standard dilution formula.

Consolidation of Newfoundland Properties with Altius and Canstar Resources Ltd.

On February 21, 2018, Canstar, Adventus and Altius announced that they had entered into a three-way definitive agreement (the "Transaction") dated February 20, 2018, whereby Canstar will acquire the Newfoundland Properties of Adventus and the Daniel's Harbour zinc project from Altius in exchange for (i) the issuance of common shares of Canstar to Adventus and Altius; and (ii) a funding commitment from Altius of $500,000 as part of a $750,000 private placement. The Transaction will allow Canstar to consolidate the majority of the Buchans camp and adds three Newfoundland zinc exploration projects to Canstar's portfolio. Canstar intends to complete a $750,000 non-brokered private placement, the proceeds of which will be applied to a first phase Newfoundland exploration program, general and administrative costs, corporate activities as well as working capital.

19. SUBSEQUENT EVENTS (CONTINUED)

Pijilí property

The Pijilí project is a project that Salazar has been granted by the Republic of Ecuador subject to a US$5 million expenditure over four years. On March 28, 2018, the Corporation entered into an agreement with Salazar to transfer the Pijilí project into the Alliance subject to the following conditions:

(a) Adventus will issue to Salazar approximately 2.3 million common shares on the earlier of (i) Adventus completing a financing of at least $3 million, (ii) Adventus completing a merger or acquisition transaction involving its common share, or (iii) March 1, 2019. If upon issuance of the common shares the value of the approximately 2.3 million shares is below $2.3 million, Adventus will issue additional common shares to Salazar to make up the value difference based on the 10-day VWAP on the day preceding the date of issuance, up to a maximum addition of 0.5 million common shares;

(b) US$150,000 in cash payments to Salazar, with US$100,000 due on execution of the agreement, and US$50,000 upon official transfer of the Pijilí; and

(c) US$1 million exploration budget for the Pijilí project to be fully funded by Adventus over the next 18 months.

Any new exploration opportunities acquired or applied for within a 10-km radius area of interest around the Pijilí project will be for the sole benefit of the Alliance. Once all the conditions are satisfied, the Pijilí Project will be transferred to the Alliance and will be governed by the terms of the Alliance Agreement.

Office lease

On February 27, 2018, the Corporation completed a sublease agreement (“Sublease Agreement”) for office space in Toronto, Ontario. The Sublease Agreement provides for the lease of office space from March 1, 2018 until December 31, 2019, and can be extended to December 31, 2020 upon mutual agreement between the sub-landlord and Adventus.