ADVENTUS ZINC CORPORATION

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

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ADVENTUS ZINC CORPORATION

Condensed Consolidated Statements of Financial Position (Unaudited) As At

(expressed in Canadian dollars)	Notes	March 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		$ 7,836,141	$ 10,784,319
Advances	6	218,148	681,561
Other receivables and prepaid expenses	6	253,113	255,170
		8,307,402	11,721,050
Assets held for sale	5	1,234,227	-
Total current assets		$ 9,541,629	$ 11,721,050
Non-current assets			
Exploration and evaluation assets	7	$ 2,685,296	$ 3,491,369
Option to acquire mineral interests	7	5,314,802	3,117,192
Furniture, leasehold improvements and equipment		53,687	11,668
Total non-current assets		$ 8,053,785	$ 6,620,229
TOTAL ASSETS		$ 17,595,414	$ 18,341,279
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 837,486	$ 1,117,933
Total current liabilities		$ 837,486	$ 1,117,933
Equity			
Shareholders' equity		$ 16,760,004	$ 17,223,346
Non-controlling interest		(2,076)	-
Total equity		$ 16,757,928	$ 17,223,346
TOTAL LIABILITIES AND EQUITY		$ 17,595,414	$ 18,341,279

Commitments (Note 12)

Subsequent events (Note 13)

On behalf of the Board (Approved on May 28, 2018)

/s/ "Christian Kargl-Simard"

Christian Kargl-Simard, Director

/s/ "Paul Sweeney"

Paul Sweeney, Director

CONDENSED CONSOLIDATED STATEMENTS OF LOSS
(UNAUDITED)

(expressed in Canadian dollars, except per share amounts)	Notes		For the three months ended March 31, 2018		2017
Expenses and other income					
General and administrative	8	$	565,051	$	720,021
Share-based compensation	9		189,639		84,841
Generative exploration			112,789		6,696
Exploration and evaluation assets abandoned or impaired	7		161,072		-
Depreciation			5,190		799
Foreign exchange loss (gain)			(353,488)		1,496
Interest income			(24,890)		-
		$	655,363	$	813,853
Loss before income taxes			(655,363)		(813,853)
Income tax expense			-		-
Net loss		$	(655,363)	$	(813,853)
Net loss attributable to:					
Common shareholders			(655,195)		(813,853)
Non-controlling interest			(168)		-
		$	(655,363)	$	(813,853)
Net loss per share					
Basic and diluted		$	(0.01)	$	(0.02)
Weighted average number of shares					
Basic and diluted			56,933,652		42,970,015

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

(expressed in Canadian dollars)	Notes		For the three months ended March 31, 2018		2017
Net loss		$	(655,363)	$	(813,853)
Other comprehensive gain (loss), net of tax					
To be reclassified subsequently to profit or loss:					
Foreign currency translation adjustment on foreign operations			2,181		682
Total comprehensive loss		$	(653,182)	$	(813,171)
Net loss attributable to:					
Common shareholders			(652,981)		(813,171)
Non-controlling interest			(201)		-
		$	(653,182)	$	(813,171)

ADVENTUS ZINC CORPORATION

Condensed Consolidated Statements of Cash Flows
(Unaudited)

(expressed in Canadian dollars)	Notes		For the three months ended March 31, 2018		2017
Operating activities					
Net loss		$	(655,195)	$	(813,853)
Adjustments for operating activities:					
Depreciation			5,190		799
Share-based compensation	9		189,639		84,841
Generative exploration			112,789		6,696
Exploration and evaluation assets abandoned or impaired	7		161,072		-
Unrealized exchange gain			(371,530)		-
		$	(558,035)	$	(721,517)
Changes in non-cash operating working capital:					
Other receivables and prepaid expenses			2,056		166,093
Accounts payable and accrued liabilities			(390,045)		340,426
		$	(387,989)	$	506,519
Cash used in operating activities		$	(946,024)	$	(214,998)
Investing activities					
Generative exploration			(112,789)		(6,696)
Exploration and evaluation assets, net of recoveries			(344,436)		(414,850)
Acquisition of furniture, leasehold improvements and equipment			(43,028)		(6,391)
Option to purchase mineral rights			(1,595,216)		-
Investment in subsidiary			1,032		-
Cash used in investing activities		$	(2,094,437)	$	(427,937)
Financing activities					
Net proceeds from issuance of shares			-		2,207,402
Cash provided by financing activities		$	-	$	2,207,402
Net increase (decrease) in cash			(3,040,461)		1,564,467
Effect of foreign exchange on cash and cash equivalents			92,283		682
Cash, beginning of period			10,784,319		7,934,425
Cash and cash equivalents, end of period		$	7,836,141	$	9,499,574
Cash and cash equivalents consist of:					
Deposits with banks			7,735,490		9,399,574
Short term deposits			100,651		100,000
Cash and cash equivalents, end of period		$	7,836,141	$	9,499,574

Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(expressed in Canadian dollars, except share amounts)	Notes	Common Shares Number	Common Shares Amount	Contributed Surplus	Warrants	Accumulated Other Comprehensive Loss	Retained Deficit	Total Shareholders' Equity	Non-controlling Interest	Total Equity
Balance, January 31, 2017		39,570,015	$ 9,011,385	$ 6,852	$ -	$ 79	$ (302,289)	$ 8,716,027	$ -	$ 8,716,027
Shares issued under offering		6,000,000	3,000,000	-	-	-	-	3,000,000	-	3,000,000
Share issuance costs		-	(792,598)	-	-	-	-	(792,598)	-	(792,598)
Brokers' warrants		-	(42,772)	-	42,772	-	-	-	-	-
Share-based compensation	9	-	-	84,841	-	-	-	84,841	-	84,841
Net loss and comprehensive loss		-	-	-	-	682	(813,853)	(813,171)	-	(813,171)
Balance, March 31, 2017		45,570,015	11,176,015	91,693	42,772	761	(1,116,142)	10,195,099	-	10,195,099
Shares issued under private placement		11,363,637	10,000,001	-	-	-	-	10,000,001	-	10,000,001
Share issuance costs		-	(492,116)	-	-	-	-	(492,116)	-	(492,116)
Brokers' warrants		-	(40,893)	-	40,893	-	-	-	-	-
Share-based compensation		-	-	522,153	-	-	-	522,153	-	522,153
Net loss and comprehensive loss		-	-	-	-	11,156	(3,012,947)	(3,001,791)	-	(3,001,791)
Balance, December 31, 2017		56,933,652	$ 20,643,007	$ 613,846	$ 83,665	$ 11,917	$ (4,129,089)	$ 17,223,346	$ -	$ 17,223,346
Share-based compensation	9	-	-	189,639	-	-	-	189,639	-	189,639
Acquisition of Dos Gemas	4	-	-	-	-	-	-	-	(1,875)	(1,875)
Net loss		-	-	-	-	-	(655,195)	(655,195)	(168)	(655,363)
Other comprehensive loss		-	-	-	-	2,214	-	2,214	(33)	2,181
Balance, March 31, 2018		56,933,652	$ 20,643,007	$ 803,485	$ 83,665	$ 14,131	$ (4,784,284)	$ 16,760,004	$ (2,076)	$ 16,757,928

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

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 identification and acquisition of mineral properties and the exploration and development of its mineral properties which include 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 as well as in other exploration in Ecuador under an exploration alliance agreement ("Alliance Agreement") with Salazar Resources Ltd. ("Salazar").

The Corporation was incorporated on October 24, 2016 pursuant to the Canada Business Corporations 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's condensed financial statements were authorized for issue by the Board on May 28, 2018.

2. BASIS OF PRESENTATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* using the same accounting policies and methods of computation as the Corporation's most recent annual consolidated financial statements, except as described in Note 3. These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017, which 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 a 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.

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period.

Going concern

These condensed consolidated financial statements have been prepared on a going concern basis. The Corporation reported a net loss of $655,195 for the three months ended March 31, 2018. (March 31, 2017: $813,853). 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 and for the options to acquire mineral rights 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 February 9, 2017, the Corporation closed an initial public offering for gross proceeds of $3,000,000. On December 21, 2017, the Corporation closed a private placement for gross proceeds of $10,000,001.

These condensed 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.

(Tabular amounts in Canadian dollars, except per share amounts)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The accounting policies, judgments and estimates applied in the Corporation's condensed consolidated financial statements are consistent with those of the annual consolidated financial statements as at and for the year ended December 31, 2017, except as noted below.

These condensed 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
Dos Gemas M2G S.A.	80%	Ecuador	Mineral exploration

(a) *Non-current assets held for sale and discontinued operations*

Non-current assets are classified as assets held for sale if it is highly probable that their carrying value will be recovered principally through a sale transaction rather than through continuing use. A discontinued operation is a component of the Corporation that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Corporation.

The assets and liabilities are presented as held for sale in the consolidated statement of financial position when the sale is highly probable, the assets are available for immediate sale in their present condition and management is committed to the sale, and it is expected that the sale will be completed within one year from the date of classification.

Assets held for sale are measured at the lower of the carrying value and fair value less cost of disposal. Impairment losses recognized on initial classification as held for sale and any subsequent gains or losses on re-measurement are recognized in the statement of income or loss. Results of operations and any gain or loss from disposal are excluded from income or loss and are reported separately as income or loss from discontinued operations.

(b) *Furniture, leasehold improvement and equipment*

Furniture, leasehold improvement and equipment is recorded at cost less accumulated depreciation and impairment loss, if any, and is amortized at the following rates:

Computer equipment	50% declining balance
Office furniture	50% declining balance
Leasehold improvement	straight line over life of lease

(c) *New accounting standards*

The following standards are effective for annual reporting periods beginning on or after January 1, 2018 or later, and have been adopted by the Corporation.

IFRS 9 - Financial Instruments ("IFRS 9") was issued by the IASB on July 24, 2014 and replaced *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.

(Tabular amounts in Canadian dollars, except per share amounts)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONTINUED)

The Corporation has adopted IFRS 9 with a date of initial adoption of January 1, 2018. The standard has been applied on a modified retrospective approach using the available transitional provisions. Under this approach, the 2017 comparative period would not be restated and a cumulative transitional adjustment to the opening retained earnings balance would be recognized at January 1, 2018.

On adoption, the Corporation updated its financial instrument classifications as follows:

Financial asset or liability	Classification under IAS 39 December 31, 2017	Measurements under IFRS 9 January 1, 2018
Cash and cash equivalents	Loans and receivables	Amortized cost
Other receivables	Loans and receivables	Amortized cost
Advances made on option to acquire mineral interests	Loans and receivables	Amortized cost
Option to acquire mineral interests	Fair value through profit and loss (FVTPL)	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities	Other financial liabilities

The Corporation continues to classify the options 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.

Impairment of financial assets, such as the Corporation's other receivables and the advances made on option to acquire mineral interests, are determined using a single impairment model that requires the Corporation to recognize expected credit losses without requiring a triggering event to occur.

There was no impact on the Corporation's condensed consolidated financial statements upon adoption of this standard.

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 adopted IFRS 15 for the year beginning on January 1, 2018. The Corporation does not have any revenue from contracts with customers. As such, there was no restatement of the 2017 comparative period or cumulative transitional adjustment to the opening retained earnings.

(d) Future accounting pronouncements

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 is continuing to assess the impact of this standard.

4. ACQUISITION AND OPTION TO EARN-IN

Investment in Minera Dos Gemas M2G S.A.

On September 14, 2017, a memorandum of understanding was signed with Salazar to jointly explore for and acquire additional zinc-related projects in Ecuador outside of Curipamba. This was formalized by the signing of Alliance Agreement on February 19, 2018. Pursuant to the Alliance Agreement, an Ecuadorian company (the "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. Dos Gemas M2G S.A. ("Dos Gemas"), a wholly owned subsidiary of Salazar, was reorganized by February 23, 2018 to reflect the respective equity interests, and became the Alliance.

(Tabular amounts in Canadian dollars, except per share amounts)

4. ACQUISITION AND OPTION TO EARN-IN (CONTINUED)

Under the Alliance Agreement, the Corporation owns 80% of Dos Gemas and will fund commercial activities of new and approved exploration projects up to a construction decision. Salazar owns 20% of Dos Gemas and operates Dos Gemas in Ecuador for a 10% operator's fee on certain expenditures. Salazar is required to bring all zinc-related (zinc as one of the two top metals) projects preferentially to Dos Gemas, but can also transfer other non-zinc projects into Dos Gemas upon agreement by the Corporation.

Investment in Pijilí project

On March 28, 2018, Adventus and Salazar signed an agreement (the "Pijilí Agreement") to add the first project to the Alliance. The Pijilí project is an exploration project that had been granted to Salazar by the Ministry of Mining in Ecuador, subject to a US$5 million expenditure over four years. As the Pijilí project was already in the Salazar's project portfolio, Salazar granted Dos Gemas an option to acquire the full interest in Pijilí through an entity that holds the Pijilí project, subject to the following conditions (the "Pijií Conditions"):

a. US$1 million exploration budget on the Pijilí project to be fully funded by Adventus (or reserved for Dos Gemas) over the next 18 months; and

b. Adventus issuing 2,333,333 common shares ("Share Consideration") to Salazar on the earlier of (i) Adventus next completing a financing with gross proceeds of at least $3 million, (ii) Adventus completing a merger or acquisition transaction involving its common shares, or (iii) March 1, 2019. Where the value of the Share Consideration falls below $2,333,333, up to an additional 500,000 common shares will be issued to Salazar for the value difference based on the 10-day VWAP on the day preceding the date of issuance.

In consideration for the investment, the Corporation agreed to pay US$150,000 in cash payments, with US$100,000 due and paid for on the date of announcement, and US$50,000 due on the official transfer of the entity that holds the Pijilí project to Dos Gemas. As of March 31, 2018, no expenditure had been spent on it under the Pijilí Agreement.

5. ASSETS HELD FOR SALE

Adventus Newfoundland Corporation ("Adventus NL"), a wholly-owned subsidiary of the Corporation, holds various properties in the province of Newfoundland and Labrador, including Buchans, Katie and La Poile (the "Newfoundland Properties"). In January 2018, the Board approved the plan to sell the Newfoundland Properties.

On February 20, 2018, the Corporation entered into a three-way definitive agreement ("Canstar Transaction") with Altius Resources Inc. ("Altius"), a wholly owned subsidiary of Altius Minerals Limited ("Altius Minerals") (TSX: ALS), and Canstar Resources Ltd. ("Canstar") (TSX-V: ROX) whereby Canstar will acquire Adventus NL from the Corporation and the Daniel's Harbour from Altius in exchange for the issuance of common shares of Canstar to Adventus and Altius and a funding commitment of $500,000 from Altius.

As the Newfoundland Properties are available for immediate sale in their present condition, management is committed to the sale, and it is expected that the Canstar Transaction will close at the end of June 2018, the assets and liabilities are presented as held for sale, and the assets are measured at the lower of carrying value and fair value less cost of disposal.

During the quarter ended March 31, 2018, Adventus NL did not incur any expense nor earn any income. Therefore, there is no reporting of discontinued operations (March 31, 2017: NIL).

		As at March 31, 2018
Exploration and evaluation assets		1,234,227
Total assets held for sale	$	1,234,227

(Tabular amounts in Canadian dollars, except per share amounts)

6. ADVANCES, OTHER RECEIVABLES AND PREPAID EXPENSES

Advances represent amounts in relation to the option to acquire mineral interests that have been advanced 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.

		March 31, 2018		December 31, 2017
Advances made for option to purchase mineral interests	$	218,148	$	681,561
Total advances	$	218,148	$	681,561
Sales tax receivables	$	139,138	$	150,503
Other receivables		37,937		-
Deposits with suppliers		15,867		78,883
Other prepaid expenses		60,171		25,784
Total other receivables and prepaid expenses	$	253,113	$	255,170

7. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTERESTS

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

Project	As at Dec 31, 2017	Additions, net of recoveries	Abandoned or impaired	Effect of foreign currency exchange movements	Reclassified to held for sale	As at March 31, 2018
Ireland						
Rathkeale Limerick	$ 1,464,123	$ 422,430	$ -	$ 79,275	$ -	$ 1,965,828
Shrule	132,700	9,378	(146,224)	4,146	-	-
Kingscourt	138,173	-	-	7,480	-	145,653
Lismore Waterford	507,470	26,293	-	27,478	-	561,241
Fermoy	8,814	3,283	-	477	-	12,574
Gaine River	2,820	1,529	(4,411)	62	-	-
Moyvore	7,470	2,779	(10,437)	188	-	-
Newfoundland & Labrador						
Buchans	964,437	1,914	-	-	(966,351)	-
Katie	235,624	2,068	-	-	(237,692)	-
La Poile	11,893	446	-	-	(12,339)	-
Security Deposits	17,845	-	-	-	(17,845)	-
Total mineral properties	$ 3,491,369	$ 470,120	$ (161,072)	$ 119,106	$ (1,234,227)	$ 2,685,296
Curipamba	$ 3,117,192	$ 1,923,638	$ -	$ 145,032	$ -	$ 5,185,862
Pijilí	$ -	128,940	-	-	-	128,940
Total options to acquire mineral properties	$ 3,117,192	$ 2,052,578	$ -	$ 145,032	$ -	$ 5,314,802

(Tabular amounts in Canadian dollars, except per share amounts)

7. EXPLORATION AND EVALUATION ASSETS AND OPTIONS TO ACQUIRE MINERAL INTERESTS

Project	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

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.

During the three months ended March 31, 2018, the Corporation applied for new concessions in Ireland and these were offered to and accepted by the Corporation early May 2018. Licences are expected to be issued by the end of the second quarter of 2018 or the early part of the third quarter. At the time of the application, the Corporation decided to relinquish the existing Shrule, Gaine River and Moyvore projects in favour of the new concessions. As a result, these three projects were fully written off in the first quarter of 2018, for an amount of $161,072.

During the three months ended March 31, 2018, the Corporation invested $1,923,638 in the option to earn in the entity that holds the Curipamba mining interest. As at March 31, 2018, the Corporation had funded a cumulative amount of US$3,792,521 of the US$25,000,000 Qualifying Project Expenditures required over five years to earn the option in Curipamba.

During the three months ended March 31, 2018, pursuant to the Pijilí Agreement with Salazar on March 28, 2018, the Corporation paid US$100,000 to Salazar in respect of the option to earn into the entity that holds the Pijilí project. As at March 31, 2018, other than the US$100,000 paid as consideration, no other amounts have been funded by the Corporation for the Pijilí project.

As of March 31, 2018, the Corporation has included in its accounts payable an amount of $435,118 attributable to exploration and evaluation asset expenditures as well as expenditures for the option to acquire mineral interest. (December 31, 2017: $226,933).

(Tabular amounts in Canadian dollars, except per share amounts)

8. GENERAL AND ADMINISTRATIVE EXPENSES

Three months ended March 31,		2018		2017
Salaries and benefits	$	299,637	$	493,427
Office and administrative		132,319		53,669
Professional and consulting fees		133,095		172,925
Total general and administrative	$	565,051	$	720,021

9. SHARE-BASED COMPENSATION

On January 31, 2018, the Corporation granted 100,000 options to a director under the Corporation's stock option plan. The fair value of the options was estimated on the date of grant to be $0.96 using the Black-Scholes option pricing model with the following assumptions:

	2018
Expected life (years)	5.0
Risk-free interest rate (%)	2.08
Expected volatility (%)	79
Expected dividend yield (%)	-

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

During the three months ended March 31, 2018, the Corporation recorded share based compensation expense of $189,639 (March 31, 2017: $84,841) relating to stock options to employees and directors which vested in the period.

10. RELATED PARTY TRANSACTIONS

Compensation for key management personnel and directors for the three months ended March 31, 2018 and 2017 is as follows:

Three months ended March 31,		2018		2017
Salaries and benefits	$	299,637	$	493,427
Share-based compensation		189,639		84,841
	$	489,276	$	578,268

During the three months ended March 31, 2018, the Corporation incurred charges of $8,370 (March 31, 2017: $440,578) from Altius Minerals Corporation and/or its subsidiaries for management fees, technical consulting and exploration related expenses. As from March 1, 2018, the Corporation is sharing its office with Altius Minerals Corporation and during the three months ended March 31, 2018, the Corporation charged Altius Minerals Corporation an amount of $1,545 for its share of office rental as well as a deposit of $1,707. As at March 31, 2018 the amounts included in accounts payable and accrued liabilities are $5,855 (December 31, 2017: $160,692), and the amounts included in accounts receivable is $3,252. (December 31, 2017: $Nil)

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.

(Tabular amounts in Canadian dollars, except per share amounts)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation has classified its financial instruments as follows:

As at March 31, 2018	FVTPL	Amortised cost	Other liabilities	Total
Financial Assets				
Short-term deposits	$ -	$ 100,651	$ -	$ 100,651
Other receivables	-	177,075	-	177,075
Advances made on option to acquire mineral interests	-	218,148	-	218,148
Option to acquire mineral interests	5,314,802	-	-	5,314,802
Total Financial Assets	$ 5,314,802	$ 495,874	$ -	$ 5,810,676
Financial Liabilities				
Accounts payable and accruals	-	-	837,486	837,486
Total Financial Liabilities	$ -	$ -	$ 837,486	$ 837,486

As at December 31, 2017	FVTPL	Amortised cost	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

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.

A summary of the major financial instrument risks and the Corporation’s approach to the management of these risks are included in the annual consolidated financial statements for the year ended December 31, 2017.

(Tabular amounts in Canadian dollars, except per share amounts)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 March 31, 2018. The Corporation is exposed to currency risk through the following assets and liabilities denominated in the United States dollar:

	March 31, 2018	December 31, 2017
Cash	$ 3,612,681	$ 2,533,768
Other receivables & prepaid expenses	24,578	-
Advances paid for option to acquire mineral rights	218,148	681,561
Option to acquire mineral rights	5,314,802	3,117,192
Accounts payable and accruals	(214,686)	(124,726)
Net asset exposure	$ 8,955,523	$ 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 March 31, 2018. The Corporation is exposed to currency risk through the following assets and liabilities denominated in the Euro:

	March 31, 2018	December 31, 2017
Cash	$ 141,046	$ 52,414
Other receivables & prepaid expenses	115,737	64,451
Accounts payable and accruals	(287,289)	(230,115)
Net asset exposure	$ (30,506)	$ (113,250)

12. 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 $311,739 by December 31, 2018 in order to maintain various licenses in good standing.

Operating lease

The Corporation is committed to lease obligations, including operating costs, on office space for annual future payments as follows:

	Amount
2018	$ 112,240
2019	149,654
Total commitments	$ 261,894

12. COMMITMENTS (CONTINUED)

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 Curipamba, 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.

Under the Pijilí Agreement, the Corporation shall pay to Salazar US$50,000 as the remainder of the cash consideration when all conditions to the Pijilí Agreement has been satisfied.

13. SUBSEQUENT EVENTS

Santiago property

The Santiago project is a project that is held by a wholly owned subsidiary of Salazar. On May 22, 2018, the Corporation entered into an agreement with Salazar to transfer the Santiago project into the Alliance subject to the following conditions:

(a) Adventus will issue to Salazar approximately 1.17 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 1.17 million shares is below $1.17 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 0.25 million common shares; and

(b) US$0.5 million exploration budget for the Santiago project to be fully funded by Adventus over the next 24 months.

As consideration for the investment, the Corporation agreed to pay US$75,000 in cash payments to Salazar, with US$50,000 due on the date of announcement, and US$25,000 upon official transfer of the entity that holds the Santiago project to Dos Gemas.

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