



**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2018**

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This Management's Discussion and Analysis ("MD&A") of Adventus Zinc Corporation ("Adventus" or the "Corporation") has been prepared as of May 28, 2018 and should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2017 and the 69-day period from October 24 to December 31, 2016 and related notes, prepared in accordance with International Financial Reporting Standards ("IFRS") as well as the unaudited condensed interim consolidated financial statements ("Interim Financial Statements") of the Corporation for the three months ended March 31, 2018 and 2017, prepared in accordance with *International Accounting Standard 34, "Interim Financial Reporting"* ("IAS34").

This MD&A supplements, but not form part of, the Interim Financial Statements and includes financial and operational information from the Corporation's subsidiaries. This MD&A covers the three months ended March 31, 2018 and the subsequent period up to the date of this MD&A. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

### *Cautionary Note Regarding Forward-Looking Statements*

This MD&A includes certain statements that constitute forward-looking information. All statements in this discussion other than statements of historical fact, including those that address the Corporation's plans for the discovery or acquisition of additional mineral projects, expected working capital requirements and proposed exploration and evaluation activities, are forward-looking information. Although the Corporation believes the expectations expressed in such forward-looking information are based on reasonable assumptions (including assumptions relating to economic, market and political conditions and the Corporation's working capital requirements), such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information. Factors that could cause actual results to differ materially from those in forward-looking information include market prices, exploration and evaluation results, continued availability of capital and financing, and general economic, market or business conditions.

Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable securities legislation, has been approved by management of the Corporation as of the date of this MD&A. Such financial outlook or future-oriented financial information is included for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

The Corporation disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

Additional information regarding the Corporation, including the Corporation's continuous disclosure materials, is available on the Corporation's website at [www.adventuszinc.com](http://www.adventuszinc.com) or through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **BUSINESS OVERVIEW**

The Corporation is a mineral exploration and development company that is based in Toronto, Ontario, Canada and is listed on the TSX Venture Exchange under the symbol ADZN.

The Corporation was formed on October 24, 2016 as a strategic initiative to acquire and focus efforts on zinc-related properties, specifically acquiring significant zinc exploration and development projects held by major mining companies. The Corporation has not earned any revenue to date and is considered to be in the exploration stage.

The strategy of the Corporation is to identify and acquire exceptional quality exploration projects primarily in the zinc-related metals sector, and to advance the projects to development and production stages, by leveraging management's expertise in exploration and in the capital markets, either on its own or with strategic partners.

The Corporation's main project is the Curipamba ("Curipamba") property in Ecuador where it has an earn-in option agreement ("Option Agreement") with Salazar Resources Inc. ("Salazar"). It also formed an exploration alliance ("Exploration Alliance") with Salazar, and executed an exploration alliance agreement ("Alliance Agreement") with Salazar to explore zinc-related projects in Ecuador, with the first projects being the Pijilí and the Santiago projects. These are additions to the portfolio of properties in Newfoundland and Labrador ("Newfoundland Properties") and in Ireland ("Irish Properties"), which the Corporation acquired in 2016 from Altius Resources Inc. ("Altius").

## **CORPORATE HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2018**

The following agreements were signed in the quarter:

- Alliance Agreement with Salazar to explore zinc-related projects in Ecuador outside of Curipamba;
- Pijilí agreement ("Pijilí Agreement") for the acquisition of the Pijilí project ("Pijilí Project") as an Exploration Alliance project; and
- Agreement ("Canstar Agreement") with Altius and Canstar Resources Inc. under which Canstar will acquire Adventus Newfoundland Corporation, a wholly owned subsidiary of Adventus, from Adventus and Daniel's Harbour project from Altius, in exchange for shares in Canstar.

As at the date of this MD&A, an agreement ("Santiago Agreement") had been signed for the acquisition of the Santiago project ("Santiago Project") as the second Exploration Alliance project.

### *Ecuador exploration*

On September 14, 2017, a memorandum of understanding was signed with Salazar to form an exclusive Alliance to jointly explore for and acquire additional zinc-related projects in Ecuador outside of the Curipamba area. A definitive agreement was concluded on February 23, 2018 to formalize the terms. Under the Alliance Agreement, the Corporation will own 80% of the Alliance and will fund commercial activities of new and approved exploration projects up to a construction decision. Salazar will own 20% of the Alliance, operate the Alliance in Ecuador and will earn 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 the Alliance, but can also transfer other non-zinc projects into the Alliance upon agreement by the Corporation.

On March 28, 2018, the first Alliance project was announced with the signing of the Pijilí Agreement. 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, the Salazar granted the Alliance an option to acquire the full interest in Pijilí subject to Adventus issuing 2,333,333 common shares ("Pijilí Share Consideration") to Salazar on the earlier of (a) Adventus next completing a financing of at least \$3 million, (b) Adventus completing a merger or acquisition transaction involving its common shares, or (c) March 1, 2019; where the value of the Pijilí 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; and a US\$1 million exploration budget on the Pijilí Project to be fully funded by Adventus (or reserved for the Alliance) over the

next 18 months. As consideration for the investment, Adventus was to pay Salazar US\$150,000 in cash payments, with US\$100,000 due on the date of signing, and US\$50,000 on official transfer of the Pijilí Project to the Alliance.

On May 22, 2018, the Santiago Project was added with the signing of the Santiago Agreement. Similar to the Pijilí Project, the Santiago Project is owned by Salazar, and the Salazar granted the Alliance an option to acquire the full interest in Santiago subject to Adventus issuing 1,166,667 common shares (“Santiago Share Consideration”) to Salazar on the earlier of (a) Adventus next completing a financing of at least \$3 million, (b) Adventus completing a merger or acquisition transaction involving its common shares, or (c) March 1, 2019; where the value of the Santiago Share Consideration falls below \$1,166,667, up to an additional 250,000 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; and US\$0.5 million exploration budget on the Santiago Project to be fully funded by Adventus (or reserved for the Alliance) over the next 24 months. In consideration for the investment, Adventus was to pay US\$75,000 in cash payments to Salazar, with US\$50,000 due on the date of signing, and US\$25,000 on official transfer of the Santiago Project to the Alliance. The Santiago Project is subject to a 1.5% net smelter royalty that can be bought out for US\$1 million, as well as a 4% net profits interest royalty that is in favour of INV Metals Inc.

### *Consolidation of Newfoundland Properties with Daniel’s Harbour and Mary March projects in Canstar*

On February 20, 2018, the Corporation entered into a three-way definitive agreement with Altius Minerals Limited (“Altius Minerals”) (TSX: ALS) and Canstar Resources Ltd. (“Canstar”) (TSX-V: ROX) whereby Canstar will acquire Adventus Newfoundland Corporation (“Adventus NL”) from the Corporation and the Daniel’s Harbour from Altius, a wholly-owned subsidiary of Altius Minerals, in exchange for the issuance of common shares of Canstar to Adventus and Altius and a funding commitment of \$500,000 from Altius as part of a \$750,000 private placement (the “Canstar Transaction”). The Canstar Transaction will allow Canstar to consolidate the majority of the Buchans camp’s zinc exploration properties, with Adventus as a major shareholder. The private placement was upsized to \$1,500,021 and closed on April 17, 2018 and the Canstar Transaction is expected to close before the end of June 2018.

### *Re-alignment of Irish mineral blocks*

During the first quarter of 2018, the Corporation continued its interpretation of data from seismic surveys from its 2017 exploration program. The new structural and tectonic interpretation for the Rathkeale and Lismore blocks led to the identification of drill-ready targets and a realignment of priorities for its land tenure. The Corporation is shifting its focus to the southern and south-western end of the Irish Orefield, relinquishing its Shrule, Moyvore and Gaine River Blocks and lodging applications for two new blocks of ground at Charleville and Millstreet, which were approved as at the date of this MD&A. The new licences are expected to be issued in the latter part of the second quarter or early in the third quarter of 2018.

## **EXPLORATION OUTLOOK**

The Corporation’s strategy is to conduct exploration, development, and project generation activities. All properties that are capitalized meet the criteria associated with exploration and evaluation assets in which licenses are held. Properties that yield potential are staked or acquired and initial exploration work is performed. The Corporation then determines whether the initial exploration results are favourable enough to warrant further exploration work with a goal of eventual mine development. In the event the property has unfavourable results and no further work is warranted, the property is abandoned and written down.

The Corporation’s main exploration focus in 2018 is on the Curipamba project, where the Corporation has a commitment to spend US\$25 million over five years for a 75% interest. Of the three material mineral projects acquired in 2016, the Corporation is in the process of consolidating the Buchans project located in Newfoundland and Labrador, Canada with Altius’ Daniel’s Harbour and Canstar’s Mary March projects through the Canstar Transaction. The other two material mineral projects, referred to collectively as the Rathkeale and Lismore projects, are in Ireland and the Corporation continues to conduct exploration work on these properties in a phased approach and, if warranted, will conduct further exploration work to advance the properties, either on its own or in partnership with strategic principals.

Additional information on each of the material properties is included in the MD&A for the year ended December 31, 2017 and in the technical reports referred therein. The Corporation may divest or joint venture its non-core properties and may consider other attractive project-level financing offers for its material projects as well.



In addition to exploration on its material properties, the goal of the Corporation is to potentially joint venture or acquire one or more additional zinc-related projects over the next six to twelve months that meet(s) the Corporation's strict valuation criteria for acquisitions. The Corporation expects to grow its management team and technical expertise as project(s) are acquired and when additional personnel are required.

The Corporation believes that zinc has strong underlying fundamental drivers that are expected to persist for several years. From a long list of over 200 zinc-related projects globally, the Corporation has developed a short list of potentially available advanced stage zinc-related projects, most of which are within diversified mining companies that may see opportunity in converting projects to equity and/or cash.

### *Assets held for sale*

In January 2018, the Corporation's board approved the plan to dispose of the Newfoundland Properties in the Canstar Transaction. 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, and are reclassified as assets held for sale. During the quarter ended March 31, 2018, no revenue and expenses were recorded for Adventus Zinc as discontinued operations.

	<b>As at March 31, 2018</b>
Exploration and evaluation assets	\$ 1,234,227
	\$ 1,234,227

### *Exploration and evaluation assets*

The following is a financial summary of exploration and evaluation assets owned or under the management of the Corporation as at March 31, 2018 and December 31, 2017:

<b>Project</b>	<b>As at Dec 31, 2017</b>	<b>Additions, net of recoveries</b>	<b>Abandoned or impaired</b>	<b>Effect of foreign currency exchange movements</b>	<b>Reclassified to held for sale</b>	<b>As at March 31, 2018</b>
<b>Ireland</b>						
Rathkeale Limerick	\$ 1,464,123	\$ 422,430	\$ -	\$ 79,275	\$ -	\$ 1,965,828
Shrulle	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	-	-
<b>Newfoundland &amp; Labrador</b>						
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)	-
<b>Total mineral properties</b>	<b>\$ 3,491,369</b>	<b>\$ 470,120</b>	<b>\$ (161,072)</b>	<b>\$ 119,106</b>	<b>\$ (1,234,227)</b>	<b>\$ 2,685,296</b>
<b>Curipamba</b>	<b>\$ 3,117,192</b>	<b>\$ 1,923,638</b>	<b>\$ -</b>	<b>\$ 145,032</b>	<b>\$ -</b>	<b>\$ 5,185,862</b>
<b>Pijilí</b>	<b>\$ -</b>	<b>128,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,940</b>

Project	As at December 31, 2016	Additions, net of recoveries	As at December 31, 2017
<b>Ireland</b>			
Rathkeale Limerick	\$ 1,464,123	\$ 1,244,395	1,464,123
Shrule	132,700	7,999	132,700
Kingscourt	138,173	6,313	138,173
Lismore Waterford	507,470	446,884	507,470
Fermoy	8,814	8,814	8,814
Gaine River	2,820	2,820	2,820
Moyvore	7,470	7,470	7,470
<b>Newfoundland &amp; Labrador</b>			
Buchans	964,437	447,169	964,437
Katie	235,624	46,455	235,624
La Poile	11,893	6,641	11,893
Security Deposits	17,845	15,745	17,845
<b>Total mineral properties</b>	<b>\$ 3,491,369</b>	<b>\$ 2,240,705</b>	<b>\$ 3,491,369</b>
<b>Curipamba</b>	<b>\$ 3,117,192</b>	<b>\$ 3,117,192</b>	<b>\$ 3,117,192</b>

During the quarter ended March 31, 2018, the Corporation increased its investment in the exploration and evaluation properties by an additional \$470,120 investment primarily in the Rathkeale and Lismore projects in the Republic of Ireland. (March 31, 2017: \$414,850).

The Corporation continued to advance the Curipamba project and invested an amount of \$1,923,638 during the quarter ended March 31, 2018 on the option to acquire interest in the Curipamba project (March 31, 2017: \$Nil). The amount used was mainly for the resource update for the project which was completed in January 2018 and for the 2018 drilling program which was put into place in the same month.

The Corporation incurred expenditures of \$112,789 (March 31, 2017: \$6,696) to generative exploration in relation to properties in which licenses have not yet been offered and accepted, both in Ecuador and in Ireland.

During the quarter ended March 31, 2018, the Corporation applied for new concessions in Ireland and these were offered to and accepted by the Corporation in early May 2018, and the licences expected to be granted shortly. 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 projects were fully written off in the first quarter of 2018, for an amount of \$161,072.

During the quarter ended March 31, 2018, pursuant to an 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.

The table on the following page shows a breakdown of material components of the exploration and evaluation ("E&E") assets as at March 31, 2018 and December 31, 2017.

As at March 31, 2018	Irish Properties				Total Exploration and Evaluation Assets
	Lismore	Rathkeale	Kingscourt	Fermoy	
Accommodations	28,472	3,406	1,048		32,926
Acquisitions	12,295	192,812	141,446	8,330	354,883
Analytical charges	81,497	232,542			314,039
Field costs	5,328	52,366	502	1,780	59,976
Field supplies	2,802	2,545	276		5,623
Geophysics	6,241	91,600			97,841
Hotels and Meals	7,387	10,577	41		18,005
Technical and Professional Support	380,912	1,308,109	1,646	2,464	1,693,131
Travel	36,307	71,871	694		108,872
<b>Total</b>	<b>561,241</b>	<b>1,965,828</b>	<b>145,653</b>	<b>12,574</b>	<b>2,685,296</b>

As at December 31, 2017	Newfoundland Properties			Irish Properties						Total E&E Assets	
	Buchans	Katie	La Poile	Lismore	Rathkeale	Kingscourt	Shrule	Fermoy	Gain River	Moyvore	
Accommodations		26		25,504	3,231	994	994				30,749
Acquisitions	543,943	224,169	5,252	11,663	182,908	134,181	126,028	7,902	2,258	6,773	1,245,077
Analytical charges				69,557	57,499						127,056
Contractors	22,308	10,127	3,267								35,702
Field costs				1,537	27,519	476	476				30,008
Field supplies		8		2,658	1,409	262	262				4,599
Geophysics				5,920	85,691						91,611
Hotels and Meals		22		7,007	9,908	39	39				17,015
Technical and Professional Support	397,396	1,246	3,374	350,464	1,069,188	1,560	4,198	912	520	654	1,829,512
Travel		26		33,160	26,770	661	703		42	43	61,405
Others	790										790
Security Deposits	16,445		1,400								17,845
<b>Total</b>	<b>980,882</b>	<b>235,624</b>	<b>13,293</b>	<b>507,470</b>	<b>1,464,123</b>	<b>138,173</b>	<b>132,700</b>	<b>8,814</b>	<b>2,820</b>	<b>7,470</b>	<b>3,491,369</b>

## ECUADOR PROJECTS

### *Curipamba*

In the last quarter of 2017, the Corporation retained Roscoe Postle Associates Inc. (“RPA”) to complete an updated Mineral Resource estimate for El Domo VMS deposit. The NI 43-101 Technical Report, dated March 9, 2018, may be found under the Corporation’s profile on SEDAR as well as the Corporation’s website at [www.adventuszinc.com](http://www.adventuszinc.com).

The updated Mineral Resource estimate for El Domo has an effective date of January 19, 2018 and is supported on information provided from 221 core boreholes, totalling 45,202 metres, completed between 2007 and 2017. The Indicated Mineral Resources for El Domo total 8.8 million tonnes grading 1.62% copper, 2.34 g/t gold, 2.42% zinc, 48 g/t silver, and 0.27% lead. The Inferred Mineral Resources for El Domo total 2.6 million tonnes grading 1.29% copper, 0.14% lead, 1.51% zinc, 1.09 g/t gold, and 29 g/t silver. The National Instrument (“NI”) 43-101 Technical Report was authored by Independent Qualified Person Dr. Lars Weiershäuser, P.Geol., of RPA (based in Toronto, Ontario, Canada), who is a Qualified Person as defined by NI 43-101.

At Sesmo, work started 2018 with a review of any historical drill holes near the target; which is located 1,100 metres north of El Domo. This review will be followed by prospecting, soil sampling, and a 22 line-kilometre IP geophysical survey, noting that the geophysical survey is key to refining targets for drilling. Follow-up drilling to the channel samples has been done. The Corporation and Salazar commenced geophysical work drilling activities in the first quarter of 2018.

At the end of January 2018, a 20,000 metre drill program commenced at the Curipamba project. As at the date of this MD&A, Salazar field crews are using two drill rigs at the Curipamba project. One drill rig works to complete infill and definition drilling within the Whittle starter open-pit of the recent Mineral Resource update (see January 31, 2018 news release) to not only raise confidence in Mineral Resource, but to also collect material for a metallurgical program planned for the second half of 2018. The second drill rig completed exploration drill holes between the southern end of the El Domo deposit, and the El Gallo target, and is currently drilling the high-priority Sesmo and Caracol targets. Assay results from drilling will be released when they have passed QA/QC protocols.

During the first quarter of 2018, a ground induced polarization (“IP”) and magnetic (“MAG”) survey has been completed over the Sesmo and Caracol targets that included over 24.15 line-kilometres of IP and 24.57 line-kilometres of MAG. Data from these surveys will be integrated with all available geological, structural, and geochemical information, which will help define new targets for exploration drilling.

#### **Infill drilling results**

The infill drilling program commenced in early March 2018 with the objective of upgrading the confidence level of the Mineral Resource within the Whittle starter open-pit area by decreasing drill spacing, which will also generate material for a planned metallurgical program in the second half of 2018. One drill rig from the drilling contractor has been dedicated to this work program. To date, drilling within the Whittle starter open-pit has successfully completed approximately 3,500 metres from a planned 7,500 metre work program that is expected to be completed by the end of the second quarter of 2018. Seventeen infill drill holes have been successfully completed with eight drill holes having now passed quality assurance and quality control (“QAQC”). One drill hole is currently in the process of being drilled.

From the 3,500 metres successfully completed, thirteen drill holes have intersected either semi-massive or massive sulphide mineralization. The other four drill holes did not have significant results because they were designed to refine the limits of VMS mineralization along the margins of the open-pit constrained Mineral Resource. Overall, drilling results have confirmed the quality of the geological and structural modelling completed by RPA, notably the semi-massive to massive sulphide mineralization.

Drill hole CURI-250 intersected VMS mineralization from 71.65 to 82.00 metres for an approximate true thickness of 9.32 metres grading 3.85% copper, 5.12 g/t gold, 10.34% zinc, 139.0 g/t silver, and 0.95% lead. A subset interval of the massive sulphide mineralization is of even higher grade from 72.41 to 76.08 metres, grading 6.47% copper, 12.30 g/t gold, 25.27% zinc, 335.4 g/t silver, and 2.37% lead. It should be noted that the lower 2.73 metres of the intercept is structurally modified by a fault and gradually transitions into both mineralized and hydrothermally altered dacite volcanoclastic rocks that underlie El Domo.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-250	71.65	82.00	10.35	3.85	5.12	10.34	139.0	0.95	9.32
<i>including</i>	72.41	77.98	5.57	6.33	8.30	18.43	240.7	1.62	5.01
<i>including</i>	72.41	76.08	3.67	6.47	12.30	25.27	335.4	2.37	3.30

The intercept in CURI-252 has an approximate true thickness of 4.51 metres and intersected VMS mineralization from 59.75 to 64.76 metres grading 1.62% copper, 8.77 g/t gold, 11.47% zinc, 357.9 g/t silver, and 2.68% lead. The top contact of the VMS mineralization occurs across 1.29 metres of intercalated fine-grained volcanoclastic tuff-sized material and semi-massive sulphide mineralization that grades into massive sulphide mineralization. A subset interval of the massive sulphide mineralization is of even higher grade from 61.04 to 62.65 metres, grading 1.74% copper, 17.40 g/t gold, 22.05% zinc, 523.0 g/t silver, and 5.97% lead. The lower contact is faulted from 62.65 to 64.76 metres and gradually transitions into both mineralized and hydrothermally altered dacite volcanoclastic rocks.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-252	59.75	64.76	5.01	1.62	8.77	11.47	357.9	2.68	4.51
<i>Including</i>	61.04	64.76	3.72	1.83	7.96	11.75	244.8	2.61	3.35
<i>Including</i>	61.04	62.65	1.61	1.74	17.40	22.05	523.0	5.97	1.45

CURI-253 was designed to test the thin southerly margin of the massive sulphide mineralization within the confines of the Whittle starter open-pit and it intersected an approximate true thickness of 0.61 metres from 59.52 to 60.20 metres grading 0.84% copper, 13.9 g/t gold, 26.48% zinc, 298.0 g/t silver, and 1.87% lead. In addition, it also intersected a low-grade stockwork within dacite volcanoclastic rocks from 68.58 to 75.29 metres. Stockwork mineralization is quite common below El Domo, forming horizontal units that appear to be spatially associated with key fault structures and associated with autobreccia in the dacite volcanic rocks.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-253	59.52	60.20	0.68	0.84	13.90	26.48	298.0	1.87	0.61
	68.58	75.29	6.71	0.57	0.14	2.57	8.5	0.13	6.04

Drill holes CURI-255 and CURI-256 were designed to test the southerly limits of the known massive sulphide mineralization and further assess the pit wall geology. These drill holes both intersected favourable strata including both the grainstone, which is a resedimented volcanoclastic unit containing pebbles and cobbles of massive sulphide mineralization, and a fine-grained felsic volcanoclastic tuff-sized material known to occur directly above the massive sulphide mineralization; however, no semi-massive to massive sulphide minerals were intersected. CURI-256 did, however, intersect a low-grade stockwork zone within dacite volcanoclastic rocks from 108.52 to 119.21 metres that corresponds to other similar low-grade stockwork zones stratigraphically below El Domo such as above in drill hole CURI-253. These drill holes have also confirmed modelling done by RPA along the southern margin of the deposit and provide excellent geological control for future modelling studies.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-256	108.52	119.21	10.69	0.46	0.25	0.84	12.8	0.07	9.62

Drill hole CURI-257 intersected a zone of semi-massive sulphide mineralization that transitioned into well mineralized dacite volcanoclastic rocks along the southern margin of El Domo. The intercept is from 67.80 to 72.60 metres for an approximate true thickness of 4.32 metres, grading 0.66% copper, 1.63 g/t gold, 3.58% zinc, 60.5 g/t silver, and 0.42% lead. A subset interval of semi-massive sulphide mineralization does possess higher gold and silver assay results from 67.80 to 69.95 metres, grading 0.17% copper, 2.81 g/t gold, 3.05% zinc, 88.5 g/t silver, and 0.70% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
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CURI-257	67.80	72.60	4.80	0.66	1.63	3.58	60.5	0.42	4.32
<i>including</i>	67.80	69.95	2.15	0.17	2.81	3.05	88.5	0.70	1.94

Drill hole CURI-259 intersected two mineralized grainstone units, which are a resedimented volcanoclastic rock with massive sulphide clasts. The first interval was from 46.63 to 49.15 metres for an approximate true thickness of 2.27 metres grading 1.29% copper, 3.06 g/t gold, 1.99% zinc, 38.5 g/t silver and 0.14% lead. The second unit was intersected from 64.89 to 67.56 metres for an approximate true thickness of 2.40 metres grading 0.72% copper, 3.51 g/t gold, 4.97% zinc, 214.4 g/t silver, and 1.34% lead. Massive sulphide mineralization was then intersected from 67.56 to 71.97 metres for an approximate true thickness of 3.97 metres grading 5.95% copper, 3.27 g/t gold, 6.52% zinc, 122.3 g/t silver, and 0.38% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-259	46.63	49.15	2.52	1.29	3.06	1.99	38.5	0.14	2.27
	64.89	71.97	7.08	3.92	3.32	5.90	154.9	0.74	6.37
<i>including</i>	64.89	67.56	2.67	0.72	3.51	4.97	214.4	1.34	2.40
<i>including</i>	67.56	71.97	4.41	5.95	3.27	6.52	122.3	0.38	3.97

The intercept in CURI-260 has an approximate true thickness of 6.80 metres and intersected VMS mineralization from 80.65 to 88.20 metres grading 2.62% copper, 2.51 g/t gold, 5.27% zinc, 37.8 g/t silver, and 0.09% lead. The top contact of the VMS mineralization appears to be faulted for the first 1.57 metres of massive sulphide mineralization, but grades into semi-massive sulphide mineralization then back into massive sulphide mineralization. A subset interval of the massive sulphide mineralization is of even higher grade from 84.82 to 86.65 metres, grading 3.70% copper, 4.61 g/t gold, 14.22% zinc, 59.8 g/t silver, and 0.11% lead. The lower contact also appears to be faulted from 87.49 to 88.20 metres and gradually transitions into both mineralized and hydrothermally altered dacite volcanoclastic rocks.

Below the massive sulphide mineralization, drilling also intersected a low-grade stockwork zone within the dacite volcanoclastic rocks from 93.94 to 103.26 metres that corresponds to other similar low-grade stockwork zones stratigraphically below El Domo. However, a higher-grade subset does occur from 100.76 to 103.26 metres, grading 2.63% copper, 1.70 g/t gold, 1.65% zinc, 23.4 g/t silver, and 0.09% lead. A second, narrow stockwork zone was intersected from 215.04 to 217.18 metres, grading 1.40% copper, 0.16 g/t gold, 0.14% zinc, and 0.9 g/t silver.

Drill Hole	From (m)	To (m)	Thickness (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Approx. True Thickness (m)
CURI-260	80.65	88.20	7.55	2.62	2.51	5.27	37.8	0.09	6.80
<i>Including</i>	83.11	87.49	4.38	4.05	2.81	7.87	45.6	0.06	3.94
<i>Including</i>	84.82	86.65	1.83	3.70	4.61	14.22	59.8	0.11	1.65
	93.94	103.26	9.32	0.82	0.56	0.71	8.4	0.03	8.39
<i>Including</i>	100.76	103.26	2.50	2.63	1.70	1.65	23.4	0.09	2.25
	215.04	217.18	2.14	1.40	0.16	0.14	0.9	0.00	1.93

Drill hole CURI-261 intersected thin, high-grade, mineralized grainstone from 53.98 to 55.77 metres for an approximate true thickness of 1.43 metres grading 3.80% copper, 5.85 g/t gold, 3.61% zinc, 122.3 g/t silver, and 0.38% lead. A second, finer-grained, mineralized grainstone was intersected directly above the massive sulphide mineralization from 76.18 to 81.33 metres for an approximate true thickness of 4.12 metres grading 0.43% copper, 2.95 g/t gold, 5.74% zinc, 128.3 g/t silver, and 0.65% lead. A subset interval of the grainstone is of even higher grade from 76.18 to 78.08 metres, grading 0.43% copper, 5.15 g/t gold, 9.58% zinc, 288.41 g/t silver, and 1.58% lead.

The grainstone transitioned into massive sulphide mineralization, which occurs from 81.33 to 89.79 metres for an approximate true thickness of 6.77 metres grading 4.24% copper, 0.54 g/t gold, 2.31% zinc, 15.98 g/t silver, and 0.01% lead. A subset interval of massive sulphide mineralization is of even higher grade from 81.33 to 86.02 metres, grading 7.23% copper, 0.72 g/t gold, 4.15% zinc, 25.72 g/t silver, and 0.01% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Approx. True Thickness (m)
CURI-261	53.98	55.77	1.79	3.80	5.85	3.61	122.3	0.38	1.43
	76.18	81.33	5.15	0.39	2.95	5.74	128.3	0.65	4.12
<i>Including</i>	76.18	78.08	1.90	0.43	5.15	9.58	288.4	1.58	1.52
	81.33	89.79	8.46	4.24	0.54	2.31	16.0	0.01	6.77
<i>Including</i>	81.33	86.02	4.69	7.23	0.72	4.15	25.7	0.01	3.75

### Other Drilling Results

Drill holes CURI-240 through CURI-249, and CURI-251 were designed to probe the favourable geology south of El Domo. To date, drilling successfully completed approximately 2,560 metres from a planned 2,500 metre work program that completed on schedule. Eleven exploration drill holes were successfully completed with all having passed QAQC.

Although these drill holes did intersect the favourable volcanic strata with hydrothermal alteration of the footwall rocks for El Domo, no semi-massive to massive sulphide mineralization was intersected. Several drill holes did, however, intersect wide intercepts of low-grade stockwork that could correspond to other similar low-grade stockwork zones stratigraphically below El Domo, approximately 420 metres to the north, and those recently identified at Sesmo target, approximately 1,900 metres to the northwest (see April 30, 2018 news release).

These newly identified occurrences need to be reviewed in the context of how they link to the extensive hydrothermal plumbing system that drove the formation of massive sulphide mineralization at El Domo and how it is related to the Sesmo target. The drill holes have also confirmed modelling done by RPA of the southern margin of the deposit and provide excellent geological control for future modelling studies.

Drill Hole	From (m)	To (m)	Thickness (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Approx. True Thickness (m)	
CURI-240	81.43	86.78	5.35	0.09	2.49	0.75	57.5	0.29	4.55	
<i>Including</i>	82.46	84.43	1.97	0.09	5.41	0.97	131.8	0.51	1.67	
	93.86	98.21	4.35	0.12	0.24	1.45	4.5	0.07	3.70	
CURI-241	75.90	92.37	16.47	0.06	0.29	0.93	3.8	0.04	14.00	
<i>Including</i>	76.86	87.05	10.19	0.05	0.35	1.08	4.3	0.04	8.66	
CURI-242	76.55	82.60	6.05	0.07	0.51	1.13	21.8	0.16	5.15	
<i>Including</i>	78.05	81.00	2.95	0.12	0.51	1.96	18.0	0.28	2.51	
CURI-243	113.65	121.86	8.21	0.11	0.19	1.59	4.9	0.10	6.98	
<i>Including</i>	116.90	121.86	4.96	0.13	0.17	2.07	4.0	0.03	4.22	
CURI-244	105.86	118.70	12.84	0.14	0.21	1.43	8.3	0.21	10.91	
<i>Including</i>	114.00	118.70	4.70	0.25	0.06	2.71	7.5	0.06	4.00	
CURI-245				<i>No Significant Results</i>						
CURI-246	142.00	143.00	1.00	0.26	0.09	2.54	0.5	0.00	0.85	
	162.00	163.00	1.00	1.80	0.10	0.27	1.9	0.00	0.85	
CURI-247	131.44	133.00	1.56	0.35	0.10	3.64	5.2	0.56	1.33	
CURI-248				<i>No Significant Results</i>						
CURI-249				<i>No Significant Results</i>						
CURI-251				<i>No Significant Results</i>						

### Sesmo drilling results

Drilling at Sesmo target started in mid-March 2018. The first drill hole, CURI-254, had to be halted in mineralization at a depth of 24.50 metres due to in-hole weathered rock conditions and loss of water pressure. CURI-254A was therefore recollared at the same location at a steeper angle and was successfully drilled to a target depth of 209.50 metres. CURI-254 intersected brecciated and altered dacitic volcanic rocks contain barite and minor base metal sulphide mineralization that returned 11.56 metres grading 3.65 g/t gold, 77.2 g/t silver, 0.01% copper, 0.10% lead and 0.27% zinc from 12.94 to the end of the hole at

24.50 metres. The mineralized zone appears to possess a weak fabric, suggestive of minor structural modification; however, given the limited exposure, more work is required to ascertain the true nature of any structural influence.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-254	12.94	24.50	11.56	0.01	3.65	0.27	77.2	0.10	(1)
<i>including</i>	21.20	24.50	3.30	0.01	6.10	0.48	53.0	0.22	(1)

Notes:

(1) Due to the early stage of exploration and lack of geological information, no estimate of true thickness can be made at this time.

The intercept in CURI-254A returned 19.88 metres, from 10.12 to 30.00 metres, grading 4.30 g/t gold, 95.1 g/t silver, 0.09% copper, 0.33% lead, and 0.72% zinc. A 3.30 metre subset interval from 25.20 to 28.50 metres, graded 17.38 g/t gold, 159.9 g/t silver, 0.36% copper, 0.99% lead, and 2.51% zinc. Further down the hole a zone of base metal stockwork mineralization was encountered that included an intercept of 0.26 g/t gold, 3.6 g/t silver, 0.07% copper, 0.56% lead, and 1.18% zinc over 19.42 metres. This zone was described as sharing strong geologic similarities with footwall stockwork zones that typically underlie the nearby El Domo deposit.

Drill Hole	From (m)	To (m)	Thickness (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Approx. True Thickness (m)
CURI-254A	10.12	30.00	19.88	4.30	95.1	0.09	0.33	0.72	(1)
<i>Including</i>	20.65	28.50	7.85	7.76	75.9	0.20	0.70	1.48	(1)
<i>Including</i>	25.20	28.50	3.30	17.38	159.9	0.36	0.99	2.51	(1)
	47.10	66.13	19.42	0.26	3.6	0.07	0.56	1.18	(1)
<i>Including</i>	47.10	53.43	6.33	0.20	5.0	0.13	0.83	2.01	(1)
<i>Including</i>	58.53	66.13	7.60	0.38	3.1	0.04	0.43	0.89	(1)

Notes:

(1) Due to the early stage of exploration and lack of geological information, no estimate of true thickness can be made at this time.

Given these positive initial results, target generation is now underway through the integration of all available geological, geochemical, and geophysical data to plan additional drill holes. Adventus and Salazar staff will continue to refine their target generation process as new data becomes available from both drilling and reprocessing of the IP and MAG ground geophysical data. The initial target generation process has highlighted several interesting areas for immediate follow-up and drilling, and one follow-up drill hole is currently in progress.

#### Technical Information Quality Control & Quality Assurance

The Curipamba project work program is being managed and reviewed by Vice President Exploration, Jason Dunning, M.Sc., P.Geo., a Qualified Person within the meaning of NI 43-101. Salazar staff collect and process samples that are securely sealed and shipped to Bureau Veritas ("BV") in Quito for sample preparation that includes crushing and milling to prepare pulps that are then split for shipment to their facility in Lima, Peru for analysis. All assay data have undergone internal validation of QAQC; noting there is an established sampling control program with blind insertion of assay blanks, certified industry standards and sample duplicates for the Curipamba project. A QAQC program is also in place at BV and includes insertion of blanks, standards and duplicate reanalysis of selected samples. BV's quality system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025: 1999. At BV, gold is analyzed by classical fire assay techniques with an ICP-AES finish, and both silver and base metals are analyzed by a 44-element aqua regia ICP-AES technique. Overlimit protocols are in place for gold, silver, copper, lead, and zinc.

### *Exploration Alliance – Pijilí project*

The Pijilí project consists of three concessions totalling 3,246 hectares that is subject to a US\$5 million spending commitment over 4 years. Pijilí is located in the province of Azuay, approximately 150 km from the major port city of Guayaquil. The Pijilí project is an untested epithermal gold-silver target, although there are opinions that there is a broader, larger scale porphyry target present.

The Pijilí project has never been explored with modern exploration techniques, such as geophysics, nor has there been any systematic geological mapping, geochemical sampling, trenching and/or drilling undertaken. Small-scale, legally permitted artisanal mining operations adjacent to the property are following precious metal-bearing structures via several small open pits and underground tunnels. It is also important to note the presence of secondary copper mineralization that is visible along the walls of the small open pits. Salazar staff have noted copper sulphide-bearing (chalcopyrite) veins in a valley bottom at the confluence of major creeks that also requires additional follow-up.

The initial 18-month program will entail detailed prospecting, surficial sampling, geological and structural mapping, implementation of a PIMA/TerraSpec for detailed hydrothermal alteration mineral studies, and geophysics. Drilling shall be considered once a target generation evaluation is completed.

### *Exploration Alliance – Santiago project*

The Santiago Project consists of a single concession that encompasses 2,350 hectares and is currently 100%-owned by Salazar. It is located in a geological setting similar to the nearby Loma Larga deposit owned by INV Metals Inc. and is considered prospective for epithermal gold and silver and porphyry copper gold deposits. It features three large, surficial geochemistry anomalies for gold, copper, and zinc. Numerous vein occurrences have been identified on the property thus far, which have yielded good chip sampling results for both gold and silver, including the following highlights (see Salazar news release for technical summary on February 23, 2012):

Española Vein: (up to 3 metres width)

- 2.0 m @ 28.10 g/t gold and 231.0 g/t silver
- 1.0 m @ 26.00 g/t gold and 242.0 g/t silver
- 1.0 m @ 18.20 g/t gold and 252.0 g/t silver
- 1.0 m @ 4.80 g/t gold and 442.0 g/t silver

Structure Quartz-Tourmaline: (3 metres width)

- 1.9 m @ 1.19 g/t gold, 14.3 g/t silver and 296 ppm molybdenum
- 3.3 m @ 0.59 g/t gold, 36.6 g/t silver and 390 ppm molybdenum

Ribs Zone and Ancha Vein: (up to 5 metres width)

- 1.0 m @ 1.29 g/t gold and >100 g/t silver
- 1.0 m @ 1.65 g/t gold and >100 g/t silver

Structure F.U.: (1.5 metres width)

- 1.4 m @ 4.80 g/t gold and 378.0 g/t silver
- 1.2 m @ 6.40 g/t gold and 136.0 g/t silver
- 1.2 m @ 4.20 g/t gold and 183.0 g/t silver

There have also been historically modest drilling campaigns by two operators on the property, including Newmont Mining Corporation in the mid-1990s that reported wide drill intercepts for copper-gold from surface. Unfortunately, these historic drill results cannot be verified, as the drill core is unavailable. Additional work, including drilling, will be required to validate these reported historical drill results.

The initial 24-month program will entail detailed prospecting, surficial sampling, geological and structural mapping, implementation of a PIMA/TerraSpec for detailed hydrothermal alteration mineral studies, and geophysics. Drilling will be considered once a target generation evaluation is completed.

## NEWFOUNDLAND PROJECTS

The Canstar Transaction is expected to close before the end of June 2018, and will result in the consolidation of Newfoundland zinc properties of the three companies around the Buchans camp, covering some 45,000 hectares of land. Upon closing, Canstar intend to initiate a comprehensive 2018 exploration program focused on the Buchans camp.

## IRISH PROJECTS

The Corporation currently holds 41 exploration prospecting licenses in the Republic of Ireland, comprising seven separate blocks (with one joint venture with Teck Ireland) across the principal prospective areas of the North Midlands and South West Ireland. The licenses are issued by the Exploration and Mining Division (EMD) of the Department of Communications, Climate Action and Environment (DCCA) and grant the right to explore for base metals, barytes (barite), silver and gold across the licensed areas. In total, the Corporation has an exploration acreage of 1,949 km<sup>2</sup> in Ireland. 21 additional licenses covering Millstreet and Charlesville had been approved by the EMD and licenses are pending.

Exploration activity during the quarter ended March 31, 2018 have been focused on the Rathkeale and Lismore blocks, in particular the interpretation of the seismic survey carried out in 2017.

### *Lismore*

The Lismore Block consists of six, non-surveyed prospecting licences that cover an area of approximately 163.7 km<sup>2</sup> within County Waterford in the Republic of Ireland. The project covers prospective Waulsortian strata with a recently discovered discrete zone of younger Viséan limestone, shale and sedimentary breccias (Dr. M. Philcox. 1976 & 2017) that was previously mis-identified as Waulsortian. These strata are being interpreted by the Corporation as a structurally-controlled sag facies that display elevated zinc values. Historical drilling proximal to these sag zones have encountered shallow, near surface low-grade mineralization and clay alteration at Ballyduff-Glenbeg and Ballinanchor).

The Corporation's field work has identified two broad target areas where preserved zinc-lead sulphide mineralization may exist beneath Viséan cover rocks previously mis-identified as Waulsortian, lithologies proximal to an extensional structure, down-dip from anomalous soils and sub-cropping hydrothermal dolomite breccias. The new interpretation for the Lismore block means that the Corporation is targeting deeper mineral potential that is down-dip from the historical low-grade discoveries near surface at Ballinanchor and Ballyduff-Glenbeg that has never been tested.

The Ballinanchor breccia is a 500 metre by 250 metre zone of sub-cropping, sphalerite-bearing, hydrothermal dolomite breccia units near the base of Waulsortian that was drilled by Navan Resources in 1994-1995. The Corporation's recent field work has shown the mineralization is juxtaposed against a section of Viséan strata. Chip sampling of historical drill holes into the Viséan strata reported intersections of up to 3.0 metre grading 2.3% zinc and 8.5 metres grading 1.4% zinc in historical drill hole DDC3-17. An east-west southerly bounding fault juxtaposes the Viséan against the sub-Waulsortian, Ballysteen Limestone (ABL) with a throw of at least 350 metre northwards.

The Corporation now interprets these mineralized breccia units as sub-cropping on a structural high across a south-stepping, structural relay zone and that the younger Viséan package lies above a structurally controlled sag at a relay. Although there are indications that other historical operators such as Billiton-Central Mining Finance knew the Viséan strata at Ballinanchor was being mis-interpreted as Waulsortian, it is clear that historical drilling failed to test the target horizon, thereby supporting the need for deeper drilling at Ballinanchor.

The Ballyduff breccia is a 1,500 metre by 300 metre zone drilled on three north-south fences, from west to east, at Bawnbrack, Ballyduff and Glenbeg. The Corporation's relogging of historical drill hole LS-81-45, when placed in context of micro-palaeontological dating, revealed that Viséan strata are definitely overlying and therefore juxtaposed against the Waulsortian across an inferred fault. Historical drill hole LS-81-45 at Glenbeg collared in and terminated within Viséan strata at 176.8 metres without intersecting the Waulsortian or any associated breccia. This fact suggests a possible downthrow southwards on the order of 200 metres across the inferred fault.

Historical drilling by previous operators at Glenbeg intersected sphalerite-bearing hydrothermal breccias with historical intersections recording up to 12.8 metres grading 2.95% zinc from 162.5 metre in historical drill hole DDC3-4; including 1.5 metre grading 8.47% zinc from 165.5 metres. Within this latter intersection is a 15-centimetre zone of 14.7% zinc demonstrating the potential of the system to generate ore-grade mineral. The Glenbeg breccias may represent up dip mineralization, meaning that there is an untested southward area, down-dip area across the fault. As such, the Corporation believes that drilling is also appropriate at Glenbeg).

### *Rathkeale*

The Rathkeale license block ("Rathkeale Block") consists of eight non-surveyed prospecting licenses covering an area of approximately 256.7 km<sup>2</sup> and is located within County Limerick of Republic of Ireland. The block is centered at 8° 51' 56" West and 52° 33' 24" North and is registered to Adventus Zinc Ireland Limited, a wholly owned subsidiary of the Corporation. The licenses, issued by the EMD, grant the right to explore for base metals, barytes (barite), silver and gold - the licenses, which are valid to September 21, 2022, are currently held in good standing with EMD.

It was originally thought the structures of the Rathkeale Block were north-dipping with the prospective Waulsortian strata on a northern hangingwall, but results from Adventus' seismic survey revealed two half-grabens controlled by large, south-dipping fault complexes. This radical departure from the traditionally accepted structural interpretation of the area means that prior operators would have mistakenly been targeting host rocks on the northern side of fault structures, believing the rocks represented hangingwall strata. The revised interpretation represents an important advance in the understanding of the geology of the area, opening untested target areas proximal to known mineralization.

An additional key observation is that under a south-dipping structural regime, the potential relay(s) between structures within a bifurcating rift, as represented by the GH, GB and N faults, would be to the north. As a northward relay would be expected, this structural orientation suggests that the key area of interest is along strike from Pallas Green to the west and north, where inferred relays would place permissive structural zones along the GB Fault and N Fault respectively.

To assist further with the interpretation of the seismic survey results, drill core was relogged at both GSI and Boliden core storage facilities. A total of nine historical drill holes were studied including the collection of magnetic susceptibility measurements to link ground magnetic survey data to geology. The review of drill core was highly successful in defining links between seismic reflectors and the favourable strata typically known for zinc-lead mineral potential. In certain cases, subtle features within the seismic data could be traced back to variation in the drill core such as weak lithological contrasts.

Successful results from a pilot surficial geochemistry orientation survey justified a larger-scale survey that combined the use of ionic leach and pH analytes from the A-Horizon, as well as a more standard multi-element analysis from the B-Horizon. The objective of this larger-scale survey was to delineate geochemical anomalies adjacent to the newly interpreted structures from the seismic survey that could indicate potential leakage from concealed massive sulphide source.

### *Other Irish blocks*

During the quarter ended March 31, 2018, no work was done on the Kingscourt block while an amount of \$16,969 was spent on Shrule, Gaine River, Moyvore and Fermoy. As a result of the identification of various drill-ready targets, and the shift of the Corporation's focus, the Shrule, Gaine River and Moyvore blocks were relinquished in favour of the more prospective Charleville (10 licences, approximately 300 km<sup>2</sup>) and Millstreet licences (11 licences, approximately 330km<sup>2</sup>).

### **QUALIFIED PERSON**

The technical information contained in this exploration update for the Corporation's properties at Ecuador, Newfoundland and Labrador and the Republic of Ireland has been reviewed and approved by Vice President, Exploration, Jason Dunning, M. Sc., P.Geo., as a Qualified Person in accordance with National Instrument 43-101.

## RESULTS OF OPERATIONS

The Corporation does not have any revenue from customers under contract.

The following expense information is derived from the Corporation's condensed consolidated financial statements for the three months ended March 31, 2018.

Three months ended March 31,	2018	2017
<b>Expenses and other income</b>		
Salaries and benefits	\$ 299,637	\$ 493,427
Professional and consulting fees	133,095	172,925
Office and administrative	132,319	53,669
General and administrative	\$ 565,051	\$ 720,021
Share-based compensation	189,639	84,841
Generative exploration	112,789	6,696
Exploration and evaluation assets abandoned or impaired	161,072	-
Depreciation	5,190	799
Foreign exchange loss (gain)	(353,488)	1,496
Interest income	(24,890)	-
	\$ 655,363	\$ 813,853
<b>Net loss</b>	<b>\$ (655,363)</b>	<b>\$ (813,853)</b>

During the three months ended March 31, 2018, the Corporation recorded a total interest income of \$24,890 while there was none in the same period ended March 31, 2017, reflecting interest on funds received from the various financings in 2017.

During the three months ended March 31, 2017, the Corporation started building its management team. By the end of 2017, the executive management is in place and no additional officer was hired in the three months ended March 31, 2018. The salaries and benefits expenditures for the three months ended March 31, 2018 therefore was reduced by \$193,790 from the same period in 2017, mainly because of a \$150,000 signing bonus for VP Corporate Development in the three months ended March 31, 2017 as well as higher accrued bonuses in the first quarter of 2017. An increase of \$104,798 in share-based compensation over the same period can be attributed to the vesting of a higher number of share options issued to management.

Commencing the first quarter of 2017, the Corporation went through a shortlist of potentially available advanced stage zinc-related projects to identify those which may offer targets with good potential for the Corporation to acquire and explore. For most of the year, the Corporation utilized a core team of external consultants and professionals for due diligence work. In the three months ended March 31, 2018, there is a decrease of \$39,830 in professional and consulting fees over the same period in 2017, due mainly to the lower level of external due diligence work required.

Office and administrative costs grew by \$78,650 to \$132,319, attributable to the increase in travel and accommodation to identify opportunities, increased marketing effort to seek new investors, and general expenditures associated with a public issuer since its initial public offering in February 2017.

The increase in generative exploration in the three months ended March 31, 2018 of \$106,093 over the same period in 2017 reflected mainly exploration expenditures in the Alliance in Ecuador, and some exploration work in Ireland. In the first quarter of 2018, the decision is made to apply for new concessions in Ireland and to relinquish three existing projects in favour of the new concessions. As a result, there was a \$161,072 charge to the quarter, compared to \$Nil in the same period in 2017.

## FINANCIAL CONDITIONS, LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2018, the Corporation had 56,933,652 common shares issued and outstanding (March 31, 2017: 42,970,015).

As at March 31, 2018, the Corporation had a working capital of \$8,704,143 (March 31, 2017: \$8,523,993). This included cash and cash equivalents of \$7,836,141 (March 31, 2016: \$9,499,574), consisting of \$7,735,490 cash on hand and \$100,651 in short-term deposits.

There has been no financing in the first quarter of 2018, while the initial public offering in February 2017 raised gross proceeds of \$3,000,000 in the corresponding quarter of 2017.

The main use of cash during the quarter ended March 31, 2018 was expenditures used in the operating activities as well as payments of \$390,045 in accounts payable primarily for legal and professional charges incurred in the last quarter for the Salazar transaction as well as other due diligence fees for various other projects.

The Corporation continued to invest in various projects in 2018, spending \$1,595,216 in Ecuador and \$155,113 in Newfoundland and Ireland in the quarter ended March 31, 2018, compared with \$414,850 in Newfoundland and Ireland in the same quarter in 2017.

The Corporation will continue to fund ongoing investment and investigate current and future mineral exploration assets, perform exploration work programs and run general operations. Future developments will depend on the Corporation's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Corporation will be successful in obtaining any such financing or in joint venturing its properties.

## SUMMARY OF QUARTERLY FINANCIAL INFORMATION

The table below outlines selected financial information related to each of the quarters in 2017 and the 69-day period from October 24 to December 31, 2016, all presented under IFRS.

Quarter Ended	Net loss	Net loss per common share (basic and diluted)
March 31, 2018	\$ (655,363)	\$ (0.01)
December 31, 2017	(1,907,170)	(0.04)
September 30, 2017	(593,114)	(0.01)
June 30, 2017	(512,663)	(0.01)
March 31, 2017	(813,853)	(0.02)
Oct 24-Dec 31, 2016	(302,289)	(0.03)

As at	Total assets	Total liabilities
March 31, 2018	\$ 17,595,414	\$ 837,486
December 31, 2017	18,341,279	1,117,933
September 30, 2017	10,087,428	717,367
June 30, 2017	10,865,848	1,037,316
March 31, 2017	11,306,385	1,111,286
December 31, 2017	9,486,887	770,860

There are no other applicable reporting quarters as the Corporation was formed on October 24, 2016. The net loss for each of the quarters is relatively stable, except for the fourth quarter of 2017 where the loss is increased by \$1,314,056 over the third quarter due mainly to the legal and professional fees incurred in closing the Salazar transaction, professional and consulting

fees for due diligence activities and marketing associated with the financing, management bonuses, as well as the addition of two officers in the last quarter. The increase in total assets of \$8,253,851 in the last quarter over the third quarter is due mainly to the private placement completed towards the end of December 2017, bringing in net proceeds of about \$9.5 million cash. The increase in liabilities of \$400,566 in the last quarter was due mainly to legal and professional fees of the financing, the Salazar transaction and consulting fees for due diligence activities not paid until 2018.

The total assets as at March 31, 2018 was \$6,289,029 higher than that as at March 31, 2017, primarily due to the increase in investments in exploration and evaluation properties in Newfoundland and Ireland as well as the options to acquire the entities that hold the Curipamba and the Pijí projects in Ecuador, as well as cash from the December 2017 financing. The level of liabilities dropped by \$273,800 from March 31, 2017 to March 31, 2018 due primarily to the higher levels of payables at March 31, 2017 coming off the IPO in February 2017 and the higher level of external consultancy and due diligence work in 2017.

### 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 three months ended March 31, 2018 and 2017 is as follows:

	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 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 some members of staff of 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 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.

### OFF-BALANCE SHEET ARRANGEMENTS

At March 31, 2018, the Corporation had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Corporation.

### SHARE CAPITAL

As at the date of this MD&A, the Corporation has 56,933,652 common shares, 4,500,000 stock options, of which 1,183,333 are exercisable, and 354,925 broker warrants exercisable for common shares outstanding.

### NEW ACCOUNTING POLICIES

The Corporation adopted *IFRS 9, Financial Instruments* ("IFRS 9") and *IFRS 15, Revenue from Contracts with Customers* ("IFRS 15") on January 1, 2018.

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

<b>Financial asset or liability</b>	<b>Classification under IAS 39 December 31, 2017</b>	<b>Measurement under IFRS 9 January 1, 2018</b>
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. There was no impact on the Corporation's condensed consolidated financial statements upon adoption of IFRS 9.

Impairment of financial assets, such as the Corporation's other receivables and the advances made on option to acquire entity that holds 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.

The Corporation does not have any revenue from contracts with customers. As such, there is no impact on the Corporation's condensed consolidated financial statements upon adoption of IFRS 15.

*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.

### **RISK FACTORS AND UNCERTAINTIES**

The ability to continue operations in the normal course of business is dependent on several factors, including the Corporation's ability to secure funding. The Corporation anticipates further exploration, development and acquisition of future prospective properties and has positive net working capital to fund currently planned work programs on existing properties

A summary of the major financial instrument risks and the Corporation's management of these risks can be found in the annual financial statements and MD&A for the year ended December 31, 2017. There have been no changes to these factors during the current period.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the condensed consolidated financial statements for the three months ended March 31, 2018. There has been no change in the Corporation's internal control over financial reporting during the three months ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting. There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.



## CRITICAL ACCOUNTING ESTIMATES

A summary of the Corporation's critical accounting estimates and judgments can be found in the annual consolidated financial statements for the year ended December 31, 2017 and the 69 day period from October 24 to December 31, 2016.

## COMMITMENTS AND CONTRACTUAL OBLIGATIONS

### *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*

As at March 31, 2018 the Corporation is committed to lease obligations, including operating costs, on office space for annual future payments as follows:

	Amounts	
2018	\$	112,240
2019		149,654
<b>Total commitments</b>	\$	<b>261,894</b>

### *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.

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.

Under the Santiago Agreement, the Corporation shall pay to Salazar US\$25,000 as the remainder of the cash consideration when all conditions to the Santiago Agreement has been satisfied.