



**Management's Discussion and Analysis  
of Financial Conditions and Results of Operations  
Three and Six Months Ended June 30, 2017**



Management Discussion and Analysis  
For the three and six months ended June 30, 2017

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*This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's unaudited condensed consolidated financial statements for the three and six months ended June 30, 2017 and the audited consolidated financial statements for the 69 day period from October 24 to December 31, 2016 and related notes. This MD&A has been prepared as of August 9, 2017.*

*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 use of proceeds from the Offering, 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 provided 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).*

## **Description of Business**

Adventus Zinc Corporation (“Adventus Zinc” or “the Corporation”) is a mineral exploration and development company that has mineral exploration property assets located in Newfoundland and Labrador, Canada (the “Newfoundland Properties”) and Ireland (the “Irish Properties”), respectively (collectively, the “Adventus Zinc Properties”).

The Corporation was formed on October 24, 2016 as a strategic initiative to acquire and focus efforts on zinc properties, specifically acquiring significant zinc exploration and development projects held by major mining companies. The Adventus Zinc Properties were transferred to the Corporation on December 8 and December 9, 2016.

The Corporation’s head office is in Toronto, Ontario, Canada and to date, it has not earned any revenue and is considered to be in the exploration stage.

### *Initial public offering*

On February 9, 2017, the Corporation closed an initial public offering (the “Offering”) of 6,000,000 common shares of the Corporation at a price of \$0.50 per common share, for aggregate gross proceeds of \$3,000,000. The common shares were offered for sale pursuant to an agency agreement dated December 16, 2016 between the Corporation and Haywood Securities Inc. (“Haywood”). On closing, the Corporation paid Haywood commissions equal to 2% of \$1,000,000 of the gross proceeds of the Offering from purchasers identified on the list provided by the Corporation and 5% of the remaining gross proceeds of the Offering. Haywood also received 200,000 broker warrants in the Corporation and may exercise these warrants for common shares of the Corporation within 24 months following the date the common shares commenced trading on the TSX Venture Exchange at a price of \$0.50 per share. The broker warrants are valued at \$42,772 using the Black-Scholes option pricing model and are recorded as share issue costs and equity reserves under the statement of shareholder’s equity. Other share issue costs of \$792,598 have been recorded against equity.

### *Private placement financing*

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

### *Acquisition of properties*

On December 9, 2016, the Corporation issued 3,570,000 common shares in connection with the acquisition of the Newfoundland Properties. On December 8, 2016, the Corporation issued 4,000,014 common shares in connection with the acquisition of the Irish Properties.



## Results of Operations

At June 30, 2017, exploration properties held by the Corporation totaled 76 licenses, 61 in Ireland and 15 in Newfoundland. No comparative period is reported as the Corporation did not exist at that time.

During the three months ended June 30, 2017, the Corporation incurred a net loss of \$512,663 and a net loss per share to common shareholders of \$0.01. During the preceding three month period ended March 31, 2017, the Corporation incurred a net loss of \$813,853 and a net loss per share to common shareholders of \$0.02 for a total loss of \$1,327,971 and net loss per share of \$0.03 for the six month period ended June 30, 2017.

This loss for the three and six month period ended June 30, 2017 can be attributed to several factors, the most notable of which are:

*Revenue* recorded was \$nil for the three and six month period ended June 30, 2017.

*General and administrative* expenses were \$363,391 during the three months ended June 30, 2017. These expenses included salaries and wages totaling \$151,554; professional fees for corporate development and exploration of \$119,662; legal and accounting fees of \$66,409; travel, meals and accommodations of \$619 and general office expenses of \$25,147. For the preceding three month period ended March 31, 2017, total general and administrative expenses were \$721,517 and included salaries, wages and incentive bonuses totaling \$493,427; professional fees for corporate development of \$85,756; exploration and management consulting of \$3,625; legal and accounting fees of \$46,194; travel, meals and accommodations of \$27,049; and general office expenses of \$28,015. Total general and administrative expenses for the six months ended June 30, 2017 were \$1,086,194, consisting of salaries, wages and incentive bonuses totaling \$645,119; professional fees for corporate development and exploration and management consulting of \$216,394; legal and accounting fees of \$141,028; travel, meals and accommodations of \$27,671; and general office expenses of \$55,982. Total general and administrative costs were lower in the three month period ended June 30, 2017 primarily due to increased salaries and wages relating to incentive and hiring bonuses during the three month period ended March 31, 2017.

*Share-based compensation* expenses for the three months ended June 30, 2017 were \$148,473 for options issued to the Corporation's management and directors valued using the Black Scholes option pricing model versus \$84,841 in the previous quarter ended March 31, 2017. Total share based compensation expenses for the six months June 30, 2017 ended were \$233,314.

*Generative exploration* expenses of \$nil were incurred during the three months ended June 30, 2017 for costs related to initial work performed on properties for which the Corporation does not yet hold the licenses or claims. \$6,895 in generative exploration expenses have been incurred during the six months ended June 30, 2017.

*Amortization* expenses of \$799 for the three months ended June 30, 2017 related to the Corporation's property and equipment which are being amortized on a declining balance method over their useful lives versus \$799 in the previous quarter for a total of \$1,598 year to date.



### Financial Conditions, Liquidity and Capital Resources

As at June 30, 2017, the Corporation has a balance of cash totaling \$7,767,883 consisting of \$7,667,883 cash on hand and \$100,000 in short-term investments. This is compared to a cash balance of \$7,934,425 at December 31, 2016.

The Corporation incurred expenses related to salaries and wages, corporate development, exploration, as well as professional fees with no offsetting revenue to date. As a result, for the six month period ended June 30, 2017, operating activities used \$1,086,195 of cash.

The Corporation closed the Offering on February 9, 2017 of 6,000,000 common shares at \$0.50 for net proceeds of \$2,203,446 which contributed to an increase of cash from financing activities for the six month period. The Corporation paid \$1,621,387 on exploration and evaluation assets, increasing the total carrying amount of the properties to \$2,872,051 and contributed to a use of cash for investing activities for the six month period.

As at June 30, 2017, the Corporation has current assets of \$7,989,004 and current liabilities of \$1,037,616 for working capital of \$6,951,688 and cash on hand of \$7,767,883. This compares to working capital of \$7,465,363 and cash on hand of \$7,934,425 at December 31, 2016. The decrease in working capital and cash on hand is related to investment in exploration and evaluation assets as well as overhead expenditures.

The Corporation will continue to use the proceeds from the Offering to fund ongoing investment and investigate current and future mineral exploration assets, perform exploration work programs and allow it to maintain sufficient funds for the short-term requirements to fund 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 the three months ended June 30, 2017 and March 31, 2017 and the 69 day period from October 24 to December 31, 2016, all presented under IFRS.

	<b>Three months ended June 30, 2017</b>	<b>Three months ended March 31, 2017</b>	<b>69 day period ended December 31 2016</b>
	\$	\$	\$
Net loss	(512,663)	(813,853)	(302,289)
Net loss per common share (basic and diluted)	(0.01)	(0.02)	(0.02)
Total assets	10,865,848	11,306,385	9,486,887
Total liabilities	1,037,316	1,111,286	770,860

No revenue has been reported since the Corporation's inception. There are no other applicable reporting quarters as the Corporation was formed on October 24, 2016.



### 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, including the Chief Executive Officer and Vice President, Corporate Development. Compensation for key management personnel and directors for the three months ended June 30, 2017 and the preceding three month period is as follows:

	June 30, 2017	March 31, 2017
	\$	\$
Salaries and benefits	<b>151,554</b>	493,427
Share-based compensation	<b>148,473</b>	84,841
	<b>300,027</b>	578,268

During the three and six months ended June 30, 2017, the Corporation incurred charges of \$84,557 and \$202,722 respectively from Altius Minerals Corporation and or its subsidiaries ("Altius") for management fees, technical consulting and exploration related fees and reimbursement of share issuance costs. As at June 30, 2017, \$51,586 of this amount is included in accounts payable and accrued liabilities. The Corporation has established service agreements with Altius to assist in financial and geological consulting in the short term.

These related party transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and agreed to by the related parties. It is management's estimation that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

### Exploration Outlook

Adventus Zinc's strategy is to conduct grass roots project generation and exploration. 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. Adventus Zinc then determines whether the initial exploration results are favorable enough to warrant further exploration work with a goal of eventual mine development. In the event the property has unfavorable results and no further work is warranted, the property is abandoned and written down.

The Corporation has three material mineral projects, the Buchans project located in Newfoundland and Labrador and the projects referred to collectively as the Rathkeale and Lismore projects located in Ireland. The Corporation intends to conduct exploration work on these properties in a phased approach and, if warranted, will conduct further exploration work to advance the properties. Additional information on each of the material properties is included below and in the technical reports referred to below. The Corporation



intends to 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 discover or acquire one or more major zinc projects over the next 6-12 months and fast-track this project(s) to a construction decision within a well financed company. The Corporation expects to grow its management team and technical expertise as project(s) are acquired and become a mid-tier base metals development company over the next few years.

The Corporation believes that zinc has unusually strong underlying fundamental drivers that are expected to persist for several years. The Corporation has developed a short list of potentially available advanced stage zinc projects, most of which are within diversified mining companies that may see opportunity in converting projects to equity or cash.

### Exploration and Evaluation Assets

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.

Project	Acquisition	As at December 31, 2016	As at June 30, 2017
		\$	\$
<b>Ireland</b>			
Rathkeale Limerick	89,226	219,728	1,098,298
Shrule	118,649	124,701	141,582
Kingscourt	125,834	131,860	149,647
Lismore Waterford	-	60,586	372,978
Fermoy	-	-	8,041
Gain River	-	-	2,486
Moyvore	-	-	6,929
<b>Newfoundland &amp; Labrador</b>			
Buchans	517,268	517,268	832,288
Katie	189,169	189,169	225,803
La Poile	5,252	5,252	9,448
<b>Security Deposits</b>	2,100	2,100	24,550
<b>Total</b>	<b>1,047,498</b>	<b>1,250,664</b>	<b>2,872,051</b>

During the six month period ended June 30, 2017, the Corporation increased its investment in the exploration and evaluation properties by an additional \$1,621,837 which consisted primarily of technical and professional support, analytical charges, geophysics consulting, and travel/accommodations to further evaluate the feasibility and future profitability of each exploration and evaluation asset.

On acquisition of the zinc properties, the Corporation issued shares for the Adventus Zinc Properties in for the recorded value of the properties. On December 9, 2016, the Corporation indirectly acquired the

Newfoundland Properties with a recorded cost of \$713,789 in exchange for 3,570,000 common shares of the Corporation and on December 8, 2016 the Corporation indirectly acquired the Irish Properties with a recorded cost of \$333,709 in exchange for 4,000,014 common shares of the Corporation.

Appendix A displays a breakdown of material components of the exploration and evaluation assets as at June 30, 2017 and December 31, 2016. For the three month period ended June 30, 2017, the Corporation incurred expenditures of \$nil to generative exploration in relation to properties in which licenses have not yet been offered and accepted compared to \$6,865 during the previous three month period ended March 31, 2017.

Exploration expenditures made during this period are related to the work programs reported in the technical reports for the Buchans Project in Newfoundland, and Rathkeale and Lismore Blocks in the Republic of Ireland. It is Adventus Zinc's opinion that the projects are being advanced per the work plan and the corporation's business objectives. All Adventus Zinc's technical reports can be found on SEDAR. A summary of the projects is provided in the following sections.

### **Newfoundland Projects**

#### ***Buchans***

Adventus Zinc acquired a 100% interest in the Buchans project from Altius in exchange for common shares of Adventus. Altius retains a 2% net smelter royalty on sales of mineral products from the Buchans project. The Buchans project as acquired from Altius comprised 1,341 map staked claims held under 12 map staked licenses covering an area of 33,525 hectares located between the communities of Buchans and Buchans Junction in the Province of Newfoundland and Labrador, Canada. The project has recently been expanded to 33,275 ha via additional direct claim staking by Adventus. The property was acquired to assess polymetallic volcanogenic massive sulphide (VMS) potential within the Ordovician Buchans Group. It covers the majority of prospective Buchans Group stratigraphy that exists outside of the area of previous mining. Past production from the historic Buchans mining camp by the American Smelting and Refining Company (ASARCO) between 1928 and 1984 is reported by Kirkham (1987) to total 16.2 million tonnes of ore from 5 major orebodies having an average head grade of 14.51% zinc, 1.33% copper, 7.56% lead, 126 g/t silver and 1.37 g/t gold.

The Buchans project is entirely underlain by the Ordovician Buchans Group which comprises a sequence of bimodal volcanic and volcanoclastic rocks of the Buchans River Formation which hosts all of the former producing massive sulphide deposits within the belt. Mineralization consists of sphalerite, galena, chalcopyrite, and lesser pyrite. Barite is the most abundant gangue mineral in the ores and alteration is characterized by quartz-chlorite-sericite +/- K-feldspar +/- carbonate.

Adventus Zinc's primary exploration target for this project is a high-grade VMS deposit like those previously mined at Buchans. Although the Buchans area has had a long mining and exploration history, it was only during the period after the 1984 mine closure that thrust belt tectonic models emerged for the area, resulting in a simplified stratigraphic interpretation of the district geology and a more complex structural interpretation. The revised stratigraphic and structural models have opened up new opportunities for exploration.



Prior to acquisition of the project by Adventus Zinc, Altius carried out exploration programs on the Buchans project holdings during the 2014 to 2016 period and these were initially focused on compiling historic data and interpreting it in light of the revised stratigraphic and structural interpretations. Work completed included re-logging of archived diamond drill core, digitizing and modelling of historic data sets (geochemical and geophysical surveys plus geology), characterizing physical property and other parameters of a historic rock sample library now held by the Newfoundland and Labrador Department of Natural Resources (NLDNR), and completion of limited field programs consisting of geological mapping and prospecting plus rock, till and soil sampling. Altius also participated in joint research with Memorial University of Newfoundland (MUN), funded by Research Development Corporation (RDC), to develop a till indicator mineral analysis system based on Scanning Electron Microscopy – Mineral Liberation Analysis® (SEM-MLA) methods.

In addition to the above, Altius retained Geoscience North Ltd. in 2015 to carry out detailed digital geoscience database compilations for use in developing a fully integrated three dimensional (3D) geological-geophysical model of the Buchans district using the GOCAD® earth modelling platform. This was done to aid exploration targeting and is being developed as a key component of on-going property investigations.

Work programs completed previously by Altius identified several target areas warranting early exploration assessment and it is anticipated that additional targets will result from work that is on-going. The following five initial exploration target areas defined by Altius are considered high in priority with respect to follow up investigations:

- Seal Pond Area - An alteration zone outlined in historic drilling and outcrop over an area of at least 0.3 x 6 km. Re-logging of the archived drill core by Altius in 2015 discovered stringer and massive sulphide mineralization that had not previously been sampled yielding up to 13.45% Zn, 0.4% Cu over 0.2m (drill hole SP-05-05). A soil geochemical survey over the target area by Altius in 2016 revealed a coincident Zn-Cu soil anomaly over an area of ~1400 x 700 m and is defined by Zn in soil values of up to 582 ppm and Cu in soil values of up to 87.5 ppm.
- Mary March Brook Area – A historically documented occurrence of altered, mineralized felsic volcanoclastic yielding up to 0.46% Zn, 0.07% Cu and 4 g/t Ag from sampling by Altius in 2015.
- Lake 7 and 12 Alteration Zone - Occurs west of the main historically mined deposits at Buchans and is interpreted as structural repetitions of the highly favorable Buchans River Formation stratigraphy that hosts all of the base metal deposits mined to date in the camp. Spatial aspects of these alteration zones have been defined to date through study of historic core logs combined with selective re-logging of key holes by Altius and others. Results show that these alteration trends occur within thrust-bounded structural panels that have typically been drill tested at relatively wide hole spacings in the range of 200 m to 600 m. Occurrence in these zones of isolated, thin (< 10 cm) layers of base metal sulphide plus isolated, transported sulphide clasts and/or stockwork sulphide intervals associated with chlorite-pyrite alteration adds credibility to the assertion that potential exists in these panels for occurrence of economic base metal sulphide mineralization. The wide spacing of historic drill holes and generally challow drilling leaves large portions of the zone untested.

- **Skidder Dacite** - In 1995, a historic UTEM survey over the area yielded several targets which were not followed up. A soil survey by Altius in 2014 outlined a coincident Cu-Zn soil anomaly over an area of ~100 x 900m that corresponded with the historic electrical conductive anomalies and an area of outcrop and float of altered and mineralized felsic-mafic volcanics. Prospecting by Altius during 2014 and 2015, yielded up to 0.46% Zn.. A historic drill hole to the north of the soil anomaly also intersected 0.71% Cu over 1.5 m.

A 3,747 line km high resolution heliborne time domain electromagnetic (TDEM) survey over the Buchans project was completed on June 26, 2017 and the final results of the survey are anticipated to be made available to Adventus by the contractor in early August 2017. A field program will be planned to ground truth any targets arising from the survey.

Additional information on the Buchans project is contained in the technical report entitled "Technical Report on the Buchans Project Buchans Area Newfoundland and Labrador Canada" dated November 24, 2016 with an effective date of November 15, 2016, prepared by Michael P. Cullen, P. Geo., M.Sc, of Mercator, which is available on SEDAR.

### ***La Poile***

Adventus Zinc holds a 100% interest in the La Poile project, located in southwestern Newfoundland, and which consists of 700 hectares. Access is by helicopter or all-terrain vehicles from a forest access road within 3 km from the project. The exploration target is a structurally modified, zinc-rich volcanogenic-hosted massive sulphide system. Massive sulphide mineralization is hosted near the contact within folded amphibolite-grade muscovite schist and quartzofeldspathic gneiss of the Ordovician Port aux Basques Complex. Historic exploration programs completed during the 1980s and 90s identified massive sulphides within a narrow (up to 1 m) by 3 km long horizon to drill depths of up to 400 m. One historic channel sample across the massive sulphide horizon reported 6.1% Zn, 2.9% Pb and 21 g/t Ag over 1.9 m, and one narrow high-grade vein of 0.08 m intersected in drilling at a depth of 300 m reported 17.9% Zn, 7.1% Pb and 6 g/t Ag. A unit of disseminated sulphides, up to 70 m thick in places, is footwall to the massive sulphides. The Corporation intends to compile all of the historic exploration work and is devising an exploration program to best test the target at depth.

### ***Katie***

Adventus Zinc holds a 100% interest in one license, located in central Newfoundland, and which consists of 2,575 hectares. The project is accessible by vehicle by a 7 km forest access road connected to a paved highway. The exploration target is focused on a zinc-rich volcanic hosted massive sulphide system with appreciable gold-silver-lead and copper. Numerous mineralized floats have been found by historical exploration programs and by Altius personnel within the project area. Examples of the results from higher grade boulders include: 25% Zn, 6.7% Pb and 8 g/t Au; 23.9% Zn and 228 g/t Ag; 3.3% Pb, 280 g/t Ag and 0.30 g/t Au. Previous trenching produced a 1.26 m long channel sample assaying 10.7% Zn, 0.38% Pb, 0.20% Cu, 33.4 g/t Ag and 1.1 g/t Au. A recent trenching program conducted by Altius produced a 0.6 m long channel sample assaying 7.27% Zn, 0.89% Pb, 44.6 g/t Ag and 1.8 g/t Au, and a 0.4 m long channel sample assaying 15.5% Zn, 0.45% Pb, 0.27% Cu, 42 g/t Ag and 2.42 g/t Au. Historic drill programs have been haphazard, but did successfully identify widespread alteration known to occur within these mineralizing systems. Altius' programs prior to the acquisition of the project by the Corporation have led to a better understanding of the stratigraphy and structure, leading to the development of a broad target ready for more advanced testing.

### ***Qualified Person***

The technical information contained in this exploration update for the Newfoundland Properties has been reviewed and approved by Lawrence Winter, Ph.D., P.Geo., as a Qualified Person in accordance with National Instrument 43-101.

### **Ireland Projects**

The Corporation currently holds sixty-one (61) 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 (DCCAE) 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 1922 km<sup>2</sup> (192,200 hectares) in Ireland registered to Adventus Zinc Ireland Limited, a wholly owned subsidiary of Adventus Zinc Corporation.

The Corporation's projects are each considered prospective for "Irish Type" zinc and lead mineralization based on their favorable Lower Carboniferous geology and structure, including the Wausortian Limestone horizon which hosts the majority of Irish Zn-Pb deposits and, in the North Midlands and the Pale Beds horizon which hosts the World Class Navan zinc-lead orebodies:

1. The **Rathkeale Block (100% owned)**, covering eight (8) licenses over 257 km<sup>2</sup> in County Limerick, exploring for Wausortian-hosted Zn-Pb deposits;
2. The **Lismore Block (100% owned)**, covering six (6) licenses over 164 km<sup>2</sup> in County Waterford, exploring for Wausortian-hosted Zn-Pb deposits;
3. The **Kingscourt Block**, covering twelve (12) licences over 383 km<sup>2</sup> in JV with Teck Ireland ("Teck") in Counties Monaghan, Louth and Cavan and one contiguous (1) license (100% Adventus\*) in County; exploring for Pale Beds and/or Wausortian-hosted Zn-Pb deposits;
4. The **Shrule Block (100% owned)**, covering twelve (12) licenses over 428 km<sup>2</sup> in Counties Galway and Mayo, exploring for Wausortian-hosted Zn-Pb deposits;
5. The **Fermoy Block (100% owned)**, covering fourteen (14) licenses over 420 km<sup>2</sup> in County Cork, exploring for Wausortian-hosted Zn-Pb deposits;
6. The **Gain River Block (100% owned)**, covering two (2) licenses over 40 km<sup>2</sup> in County Westmeath, exploring for Pale Beds and/or Wausortian-hosted Zn-Pb deposits;
7. The **Moyvore Block (100% owned)**, covering six (6) licenses over 120 km<sup>2</sup> in County Westmeath, exploring for Pale Beds and/or Wausortian-hosted Zn-Pb deposits;

*All projects are subject to a 2% NSR royalty in favor of Altius Minerals Corp.*

Exploration activity during the period to June 30, 2017 have been focused on the Rathkeale and Lismore blocks.

## OPERATING MILESTONES

### *Rathkeale Block: Carbonate-hosted Zinc-Lead*

The Rathkeale license block ("Rathkeale Block") consists of eight (8) non-surveyed prospecting licenses covering an area of approximately 255.6 km<sup>2</sup> and is located within County Limerick of Republic of Ireland (Table 6). The block is valid to September 21, 2017 and is currently held in good standing with EMD.

The Rathkeale Block contains a number of historic surface showings and trial mines. Modern exploration, using a variety of techniques such as geochemistry, ground/airborne geophysics and drilling, resulted in the identification of additional mineralization and alteration. The presence of thick breccias and conglomerates in historically drilled core at a number of sites indicates a complex structural setting involving a fault bound half graben. These features are interpreted as faulting associated with the development of the Shannon Basin manifested by regional crustal thinning and extensional tectonics. This scenario is analogous to the development of the North Dublin Basin where similar structures are considered critical to the development and focusing of large scale hydrothermal systems such as at the Navan deposit.

During the period, the Corporation engaged seismic acquisition group IMC Geophysical Services Limited (IMCGSL) to undertake a 24.5 line-kilometers, 2D, predominately road-based, seismic survey on the block over two north-south lines (17-ADV-01 and 17-ADV-02). The objective of the survey is to provide detailed information on the controlling structure and of the basin margin setting which is interpreted to strike east-west through the block.

The data acquisition phase of the seismic survey was completed on June 30, 2017 and preliminary images of brute stack sections of 2-D data for lines 17-ADV-01 and 17-ADV-01 reveal good reflectors and breaks which are considered encouraging at this early stage. Processing is expected to reveal more detailed features prior to interpretation. Adventus will move to processing and interpretation of these acquired data during the upcoming period and will issue an invite to tender for the six to eight week processing phase during July.

Other work programmes for the block, which were deferred during the second quarter as a result of the seismic survey, will be completed during the upcoming period including;

1. Review of archived historical drill core from the Rathkeale area at the GSI core store and Boliden.
2. Field mapping on PL3368 to search for possible extensions and evidence for fault control on the interpreted zone of Lough Gur Formation on adjacent PL 2927.
3. Literature reviews including the continued data capture of relevant historical information from Open File.
4. The review and interpretation of the LGC/Soil characterization sampling results.
5. Collection of magnetic susceptibility measurements on principal stratigraphic units to assist with the interpretation of the magnetic survey and a review of ground magnetic survey and integration with current structural interpretation

### *Lismore Block: Carbonate-hosted Zinc-Lead*

The Lismore license block ("Lismore Block") consists of six (6) non-surveyed prospecting licenses covering an area of approximately 163 km<sup>2</sup> located within County Waterford in the Republic of Ireland. The licenses are valid to November 6, 2022 and are currently held in good standing with EMD.

The Lismore Block comprises a west-east trending valley which is cored by prospective, sub-cropping Waulsortian Limestone. Low-grade zinc mineralization, dolomite and clay-alteration on the block has been encountered by previous operators at Garrycloyne and Ballinanchor in drilling intersections targeted largely on zinc in shallow soil anomalies. The low-grade mineralization is associated with brecciation and dolomitization which, in a possible analogous relationship to that seen at Silvermines and at Lisheen, may suggest a peripheral location within a hydrothermal system. Previous exploration and historical drilling was focused on shallow soil zinc anomalies to the west and north of the block prospecting licenses (1555 & 1556), with little or no drilling on the south of the licenses or on the eastern-most licenses. The Corporation's exploration strategy is to develop an understanding of the structural-stratigraphic relationships as potential controls on mineralization, and the surficial expression of such mineralization and associated alteration on the block.

Work during the period has focused on structural studies and completing a combined review of historical and orientation geochemical sampling of the block. This is in preparation for target generation studies in the third quarter aimed at definition of initial drilling targets.

Follow-up investigations of the southern faulted contact (Owenbeg Fault) on the block, and interpretations aimed at identifying any previously unknown parallel faults north of it, as controls on the development of Waulsortian breccia-hosted zinc mineralization were undertaken utilizing;

1. Detailed re-logging, geochemical sampling and stratigraphical analysis of seven historical drill holes stored at the Geological Survey of Ireland,
2. Approximately 2 line km of enhanced Ground Penetrating Radar (ultra wideband EM) across three key sections at Ballinanchor and Ballysaggart Beg,
3. Meetings of a review group of Adventus geologists, augmented by geophysical (structural satellite study and reprocessing of historic airborne magnetics and gravity data), structural and stratigraphic consultants, tasked with a final revision of the structural-stratigraphic and geological interpretation of the Lismore block.

Geochemical orientation sampling was completed with total of 27 sites being drilled by man-portable Pionjar to retrieve soil samples at 3m and base of overburden as a final component to the geochemical orientation study. A total of 47 samples were acquired and submitted for analysis at ASL Loughrea, Ireland.

Results have been received and are being incorporated as part of an internal geochemical report for targeting and planning of reconnaissance geochemical sampling programs across the block.

The Corporation's currently planned work programs for the Lismore Block during the third quarter of 2017 will involve the deployment of resources on;

1. Completion of a structural review, revised structural-stratigraphic and geological reinterpretation across block including costing a structural satellite study and reprocessing of historic airborne magnetics and gravity data.
2. Detailed target generation report
3. Planning of drill testing of initial targets for Q3.

## **Other Irish Properties**

### ***Kingscourt***

Adventus holds twelve (12) individual prospecting license areas totaling approximately 483 km<sup>2</sup> (48,300 hectares) known as the Kingscourt Project. The block is situated in Counties Meath, Louth and Monaghan, approximately 55 km north of Dublin City and 15 km north of the World-class Navan Mine. The Kingscourt project is currently being explored through a joint venture with Teck Ireland Limited ("Teck"), a subsidiary of Teck Resources Ltd., with Teck as operator. The prospecting licenses which comprise the Kingscourt Project are currently held by Adventus. Teck have earned an additional 24% in the Kingscourt Project by incurring expenditures of €250,000 exclusive of VAT (the "Second Option"). As Teck now has a 75% earned interest in the project, Adventus is required under the joint venture agreement to assign all of the licenses to Teck and form a joint venture on the block. The Kingscourt project is subject to an underlying 2% net smelter returns royalty in favor of Altius Royalty Corporation, an affiliate of Altius.

The block is considered prospective for Irish-type Zn-Pb for both Pale Beds (Navan) and Waulsortian-hosted (Lisheen-Galmoy) style mineralization and is dominated structurally by the north-south trending Kingscourt graben. Large-scale Zn-Pb soil anomalism has been recorded on the block associated with sub-cropping vein and breccia mineralization (galena-sphalerite-marcasite; up to 7% Pb, 1% Zn) in shelf limestones in trenches and drilling associated with the largest of these at Rock Cottage (on prospecting licence 4484). Other discrete soil anomalies and mineralized (base-metal) float and outcrop is recorded around the basin associated structurally attractive zones on the Ardee and Moynalty target areas. A drill hole (TC-3819-001) completed by Teck in February 2016 intersected encouraging styles of alteration and mineralization (1.9 m with 0.5% Pb and 0.1% Zn from 384.2 m).

A three drill hole program was completed by Teck for a total of 2534.5m in December 2016 and fully reported to Adventus on February 24, 2017 and March 6, 2017 (Kingscourt Block Technical Update, February 2017. Emily Fejes, Teck Ireland). No significant mineralization was intersected and the Corporation awaits a recommendation and program proposal from Teck. ??

### ***Shrulle***

Adventus holds 100% of the exploration rights over the Shrulle carbonate-hosted Zn-Pb exploration project consisting of twelve (12) individual prospecting license areas covering approximately 412 km<sup>2</sup> (41,200 hectares) valid until February 5, 2018 and July 21, 2018.

The block is situated in north-central County Galway and south Mayo at the border of the counties, approximately 30 km north of Galway City and 205 km west of Dublin. The Shrulle project's centroid is approximately 70 km northwest of the Waulsortian-hosted Pb-Zn Tynagh deposit and 18 km southwest along strike from New Boliden's Slieve Dart project where historically eleven zones of pyrite, marcasite, with sphalerite and galena mineralization hosted in Waulsortian Mudbank Limestone have been discovered. The best mineralization grade intersected was 2.3 m with 6.8% Zn including 0.7 m at 14.29% Zn and 1.97% Pb at Gortnalea (on prospecting licence 3470). The block is dominated structurally by a northeast-southwest trending fault complex with significant Waulsortian-hosted, zinc-lead mineralization at Slieve Dart (off-block) at the northeast and known vein, bedded mineralization occurrences, geochemical anomalism and 19th century lead, zinc and silver mines recorded at the southwest extremis.

Previous exploration in the area is limited and geology is poorly understood, however a structural-stratigraphic study by Adventus has identified the potential for development of host Waulsortian and three principal targets have been identified based on the results of the tectono-stratigraphic, mapping, historical data geophysical and geochemical reprocessing.

The Corporation has not yet commenced exploration on this property with only administrative work having been conducted during the period, however it is the Corporation's intention to maintain these properties in good standing and for work programs to commence in Q3.

### ***Fermoy***

Adventus has applied for fourteen (14) individual prospecting license areas totaling approximately 483 km<sup>2</sup> (48,300 hectares) known as the Fermoy project. The block is situated in north-east County Cork at the boundary with Tipperary and Limerick counties, approximately 35 km north of Cork City and 195 km south-west of Dublin. Adventus applied for the above licenses on September 12, 2016 prior to the transfer of the Irish Properties. On the 28<sup>th</sup> April 2017 Adventus Zinc Ireland accepted a letter of offer (dated 29<sup>th</sup> March 2017) for the licences from the Exploration and Mining Division. Licence issuance and start date is expected in the upcoming quarter.

The Fermoy project's centroid is 18 km west along strike from the Corporation's Lismore project block, approximately 12 km east of the Lower Limestone Shale (LLS) hosted Cu-Ag Tullacondra deposit and Waulsortian-hosted Zn-Pb mineralization at Grange East/West and 85 km southwest of Lisheen mine. The licenses are considered to have potential to host Lower Carboniferous base metal mineralization at the basal Waulsortian (Zn-Pb) and LLS/ORS (Oil Red Sandstone) (Cu-Ag) contacts within an area of prospective structure and stratigraphy. Reports from previous operators have supported Zn-Pb and Cu soil anomalism and mineralization on the block.

Previous exploration in the area has concentrated on the Cu-Ag mineralization at Tullacondra and whilst the Fermoy block of licenses presents a dual exploration target only limited exploration has been carried out within the block for Irish Type Zn-Pb mineralization.

The Corporation has not yet commenced exploration on this property with only administrative work having been conducted during the period, however it is the Corporation's intention to maintain these properties in good standing. Potential future exploration by the Corporation includes programs of historical data acquisition and assessment, a structural-stratigraphic and target generation study, geological mapping, and modern geochemical and geophysical exploration techniques.

### ***Gaine River***

Adventus has applied for two (2) prospecting license areas totaling approximately 60 km<sup>2</sup> (6,000 hectares) in County Westmeath known as the Gaine River Project. The block is situated approximately 10 km south of Mullingar town and 80 km west, north-west of Dublin city. The Gaine River Project's centroid is 9 km southeast of the Wausortian-hosted Zn-Pb Ballinalack deposit. On the 28<sup>th</sup> April 2017 Adventus Zinc Ireland accepted a letter of offer (dated 29<sup>th</sup> March 2017) for the licences from the Exploration and Mining Division. Licence issuance and start date is expected in the upcoming quarter.

A prominent structural feature (Moyvoughly Trend) is known to pass through the Gaine River licences and understanding of the geology of the block has been improved by recent seismic surveys conducted by a previous operator. Geochemically, the primary feature supporting structural interest is the Gaine River zinc

anomaly (localised lead support) which extends northwest-southeast through the block for 10 km. With only limited historical drilling (5 holes), the presence of structures which were active in the early Carboniferous and the extensive, but unexplained, soil anomalism and proximity to known mineralization such as at Ballinalack indicates that the Gaine River project is an attractive exploration project.

The Corporation has not yet commenced exploration on this property with only administrative work having been conducted during the period, however it is the Corporation's intention to maintain these properties in good standing and commence work to refine targets.

### **Moyvore**

Adventus has applied for six (6) prospecting license areas totaling approximately 242 km<sup>2</sup> (36,000 hectares) in Counties Longford and Westmeath known as the Moyvore Project. The block is situated approximately 10 km west of Mullingar town and 85 km northwest of Dublin city. On the 28<sup>th</sup> April 2017 Adventus Zinc Ireland accepted a letter of offer (dated 29<sup>th</sup> March 2017) for the licences from the Exploration and Mining Division. Licence issuance and start date is expected in the upcoming quarter.

The Moyvore project's centroid is 18 km southwest of the Wausortian-hosted Zn-Pb Ballinalack deposit straddling two distinct sub-trends within the northern sector of the Irish Midlands: the Moyvore fault and the Moate Inlier fault. Historical drill holes have intersected well-developed, thickened micrites from within the host Pale Beds, suggesting that the faults were active at a time critical to mineralization in the Irish orefield. Mineralization is recorded on the block and is best developed within the Upper Calcareous Sandstone and the lowermost basal Micrite Unit, and the best intersections are up to a maximum of 3.1 m with 2.4% Zn in MV4 (on prospecting license 3528). The presence of known mineralization (both on and proximal to the block), structures active in the early Carboniferous, and the presence of Zn and Pb geochemical anomalism and alteration, demonstrates that the Moyvore block is prospective and is an attractive exploration project.

The Corporation has not yet commenced exploration on this property with only administrative work having been conducted during the period, however it is the Corporation's intention to maintain these properties in good standing and to work towards target generation.

### ***Qualified Person***

The technical information contained in this exploration update for the Republic of Ireland projects has been reviewed and approved by EurGeol Vaughan Williams, P.Geo, M.Sc., ACSM, as a Qualified Person in accordance with National Instrument 43-101.

### **Off-Balance Sheet Arrangements**

At June 30, 2017, 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 45,570,015 common shares, 3,550,000 stock options, none of which were exercisable, and 200,000 broker warrants exercisable for common shares outstanding.

A summary of the Corporation's outstanding stock options are as follows:

Grant Date	Expiry Date	Exercise Price	Outstanding Options	Contractual Life (Years)	Unvested Options	Years to Maturity
12/19/2016	12/19/2019	\$ 0.25	2,250,000	3	2,250,000	2.47
2/28/2017	2/28/2020	\$ 0.80	1,300,000	3	1,300,000	2.67
		\$ 0.45	3,550,000		3,550,000	

## Future Accounting Pronouncements

The following standards and amendments to standards are effective for annual reporting periods beginning on or after January 1, 2017 or later, with earlier adoption permitted.

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

*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.

*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 has not early adopted these amendments and standards and is currently assessing the impact they will have on the consolidated financial statements.

## 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

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 favorable terms. In addition, the recoverability of the amount shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Corporation to obtain financing to continue to perform exploration activity or complete the development of the properties where necessary, or alternatively, upon the Corporation's ability to recover its incurred costs through a disposition of its interests, all of which are uncertain. These material uncertainties may cast significant doubt as to the ability of the Corporation to continue operations into the foreseeable future as a going concern and, accordingly, the ultimate appropriateness of the use of the accounting principles applicable to going concern. An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision.

#### Financial Instrument Risk

Financial instruments recorded at fair value as at June 30, 2017 are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

Level 3 – valuation techniques with significant unobservable market inputs.

The Corporation has classified its financial instruments as follows:

	<b>June 30, 2017</b>	December 31, 2016
<b>Financial Assets</b>		
<i>Loans receivables, measured at amortized cost</i>		
Accounts receivables	\$ 199,883	\$ 86,810
<b>Financial Liabilities</b>		
<i>Other Liabilities, measured at amortized cost</i>		
Accounts payable and accrued liabilities	\$ 1,037,316	\$ 770,860

The Corporation does not have any Level 2 or 3 financial assets or liabilities.

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. The Corporation does not utilize derivative financial instruments for trading or speculative purposes. Hedge accounting is applied only when appropriate documentation and effectiveness criteria are met. The Corporation does not currently use any hedges.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are as follows:

#### *Credit Risk*

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from receivables. The Corporation closely monitors its financial assets, including the receivables from third parties. All receivables are current and the allowance for doubtful account for the three and six month periods ended June 30, 2017 is \$nil.

#### *Liquidity Risk*

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

#### *Foreign currency risk*

The Corporation transacts a portion of its exploration business in the Euro, the currency of Ireland, and is therefore subject to transaction and translation risk on conversion to the functional currency of the Corporation, the Canadian dollar (CAD). The Corporation attempts to mitigate these risks by managing its Euro inflows and outflows. No hedging instruments have been used by the Corporation, however depending on the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments.

As at June 30, 2017, a 10% change in the value of the Euro to Canadian dollar exchange rate would impact the Corporation's net loss by approximately \$3,124 compared to \$3,050 at March 31, 2017.

#### **Commitments and Contractual Obligations**

The Corporation has obtained various mineral rights in Canada and Ireland by staking claims and paying refundable security deposits. On these lands, 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 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, posting a refundable security bond for the deficient amount or electing to allow title of the license to be cancelled. The Corporation has spending requirements totaling \$477,198 by June 30, 2018 in order to maintain various licenses in good standing, \$177,678 of which has been incurred in the six month period ended June 30, 2017.

**Appendix 1: Allocation of Exploration and Evaluation Assets**

As at June 30, 2017

	Lismore	Rathkeale	Kingscourt	Shrule	Fermoy	Gainé River	Moyvore	Buchans	La Poile	Katie	Total
Accommodations	22,237	4,125	1,923	1,923	-	-	-	-	-	-	30,208
Acquisitions	11,478	180,004	132,050	124,026	7,777	2,222	6,666	539,663	6,652	224,169	1,234,707
Analytical Charges	53,792	9,836	-	-	-	-	-	-	-	-	63,627
Contractors - Geology	-	-	-	-	-	-	-	6,434	985	720	8,138
Fees - Legal	-	-	-	-	-	-	-	790	-	-	790
Field costs	2,658	2,524	889	889	-	-	-	-	-	-	6,961
Field supplies	6,426	4,906	254	254	-	-	-	-	-	-	11,840
Geophysics	-	84,331	-	-	-	-	-	-	-	-	84,331
Meals	3,285	1,474	63	63	-	-	-	-	-	-	4,885
Professional	244,616	795,234	13,170	13,128	264	264	264	286,101	3,212	914	1,357,167
Travel - Mileage	28,121	15,827	1,287	1,287	-	-	-	-	-	-	46,522
Travel - Airfare	365	36	11	11	-	-	-	-	-	-	424
Security Deposits	-	-	-	-	-	-	-	22,450	-	-	22,450
<b>Total</b>	<b>372,979</b>	<b>1,098,298</b>	<b>149,648</b>	<b>141,582</b>	<b>8,041</b>	<b>2,486</b>	<b>6,930</b>	<b>855,438</b>	<b>10,848</b>	<b>225,803</b>	<b>2,872,051</b>



Management Discussion and Analysis  
 For the three and six months ended June 30, 2017

**Appendix 1: Allocation of Exploration and Evaluation Assets**

As at December 31, 2016

	Lismore	Rathkeale	Kingscourt	Shrule	Buchans	La Poile	Katie	Total
Accommodations	29	29	29	29	-	-	-	117
Acquisitions	10,949	171,697	125,426	118,303	515,868	6,652	189,169	1,138,063
Analytical Charges	10,158	-	-	-	-	-	-	10,158
Field costs	342	317	317	317	-	-	-	1,293
Field supplies	4,198	4,175	-	-	-	-	-	8,373
Meals	568	457	12	12	-	-	-	1,048
Technical & Professional Fees	28,575	38,635	5,915	5,875	-	-	-	79,001
Travel - Mileage	5,762	4,376	150	150	-	-	-	10,439
Travel - Airfare	17	35	11	11	-	-	-	74
Security Deposits	-	-	-	-	2,100	-	-	2,100
<b>Total</b>	<b>60,597</b>	<b>219,721</b>	<b>131,860</b>	<b>124,697</b>	<b>517,968</b>	<b>6,652</b>	<b>189,169</b>	<b>1,250,664</b>