FIREWEED ZINC LTD.

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian Dollars)

Financial Statements

March 31, 2018

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Notice of non-review of condensed interim financial statements

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators, notice is given that the attached condensed interim financial statements for the three-month period ended March 31, 2018 have not been reviewed by the Company's auditors.

FIREWEED ZINC LTD.

Statements of Financial Position as at
(Unaudited - Expressed in Canadian Dollars)

	Note		March 31, 2018		December 31, 2017
Assets					
Current assets:					
Cash		$	11,051,010	$	1,179,634
Receivables	13		51,518		40,321
Prepaid expenses			208,655		81,888
			11,311,183		1,301,843
Equipment	5		33,587		35,485
Exploration and evaluation assets	4		9,535,854		2,794,672
		$	20,880,624	$	4,132,000
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	7,10	$	410,612	$	275,415
Lease liability	6		-		17,711
			410,612		293,126
Flow-through premium liability	8		777,609		-
Long-term lease liability	6		-		9,049
			777,609		302,175
Shareholders' equity:					
Capital stock	9		20,615,578		4,592,913
Share-based compensation	9		457,681		292,994
Warrants reserve	9		273,641		105,565
Deficit			(1,654,497)		(1,161,647)
			19,692,403		3,829,825
		$	20,880,624	$	4,132,000

Nature and continuance of operations (Note 1)
Commitment (Note 14)
Subsequent events (Note 15)

On behalf of the Board:

"Brandon Macdonald" Director   *"George Gorzynski"* Director

The accompanying notes are an integral part of these interim financial statements.

FIREWEED ZINC LTD.

Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note		Three months ended March 31, 2018		March 31, 2017
Expenses					
Consulting fees	10	$	36,506	$	31,250
Depreciation	5		1,898		-
Director and committee fees	10		54,000		-
Finance expense	6		636		-
Investor relations			229,430		37,611
Insurance expense			3,872		-
Office expenses			10,881		592
Payroll expense			4,826		-
Professional fees			16,105		7,724
Rent			5,850		5,850
Share-based compensation	9		164,687		-
Transfer agent & filing fees			9,645		2,500
Travel			9,902		-
Operating loss for the period		$	(548,238)	$	(85,527)
Other income (expenses)					
Amortization of flow-through liability	8	$	34,623	$	-
Interest income			20,765		-
Comprehensive loss for the period			**492,850**		**85,527**
Loss per share – basic and diluted		$	(0.02)	$	(0.01)
Weighted average number of common shares outstanding – basic and diluted			23,222,793		8,527,333

The accompanying notes are an integral part of these interim financial statements.

FIREWEED ZINC LTD.

Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Note		Three months ended March 31, 2018		Three months ended March 31, 2017
OPERATING ACTIVITIES					
Loss for the period		$	(492,850)	$	(85,527)
Adjustment for items not affecting cash:					
Amortization of flow-through liability	8		(34,623)		-
Depreciation	5		1,898		-
Finance expense	6		636		-
Share-based compensation	9		164,687		-
Change in non-cash working capital items:					
Receivables	13		(11,197)		(4,074)
Prepaid expenses			(126,767)		(22,500)
Accounts payable and accrued liabilities	7		43,443		(6,010)
			(454,773)		(118,111)
INVESTING ACTIVITIES					
Exploration and evaluation assets	4		(1,301,319)		(25,414)
			(1,301,319)		(25,414)
FINANCING ACTIVITIES					
Capital stock, net of issuance costs	9		11,654,864		565,000
Lease liability	6		(27,396)		-
			11,627,468		565,000
Increase in cash			9,871,376		421,475
Cash, beginning of the year			1,179,634		72,214
Cash, end of the year		$	11,051,010	$	493,689

Supplemental disclosures with respect to cash flows:

Supplemental Schedule of Non-Cash Investing and Financing Activities

Exploration and evaluation expenditures included in accounts payable	$	210,372	$	175
Fair value of finders’ warrants		174,625		-
Fair value of shares issued for property		5,348,109		-
Reallocation of reserves for broker’s warrants exercised		6,549		-

The accompanying notes are an integral part of these interim financial statements.

FIREWEED ZINC LTD.

Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

		Capital Stock						
	Note	Shares	Amount	Warrants reserve	Options reserve	Subscriptions received in advance	Deficit	Total
Balance at December 31, 2016		5,700,000	$ 270,500	$ -	$ -	$ 80,000	$ (202,160)	$ 148,340
Seed financings	8	3,720,000	645,000	-	-	(80,000)	-	565,000
Loss for the period		-	-	-	-	-	(85,527)	(85,527)
Balance at March 31, 2017		**9,420,000**	**$ 915,500**	**$ -**	**$ -**	**$ -**	**$ (287,687)**	**$ 627,813**
Balance at December 31, 2017		17,756,370	$ 4,592,913	$ 105,565	$ 292,994	$ -	$ (1,161,647)	$ 3,829,825
Shares issued for resource property	4,8	3,565,406	5,348,109	-	-	-	-	5,348,109
Shares issued in private placement	8	5,700,000	7,524,000	-	-	-	-	7,524,000
Flow-through shares issued in private placement	8	3,000,000	3,960,000	-	-	-	-	3,960,000
Share issue costs	8	-	(828,493)	174,625	-	-	-	(653,868)
Share-based compensation	8	-	-	-	164,687	-	-	164,687
Warrants exercised	8	25,000	19,049	(6,549)	-	-	-	12,500
Loss for the period		-	-	-	-	-	(492,850)	(492,850)
Balance at March 31, 2018		**30,046,776**	**$ 20,615,578**	**$ 273,641**	**$ 457,681**	**$ -**	**$ (1,654,497)**	**$ 19,692,403**

The accompanying notes are an integral part of these interim financial statements.

1. Nature and continuance of operations

Fireweed Zinc Ltd. (the "Company") was incorporated under the Business Corporations Act of the Yukon in Canada on October 20, 2015. The Company is a mineral exploration and development company and is engaged in the acquisition, exploration and development of mineral assets. Currently the Company has one project, the Macmillan Pass Project, which includes the Tom and Jason zinc-lead-silver deposits, MAC claims and recently optioned large blocks of adjacent claims (MC, MP, Jerry, BR and NS) in Yukon, Canada (collectively, the "Project"). The Company is listed on the TSX Venture Exchange and trades under the symbol FWZ.

The Company's head office and principal address is Suite 1020 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The registered and records office is 3081 3rd Avenue, Whitehorse, Yukon, Canada Y1A 4Z7.

The Company's ability to continue operations is not assured and is dependent upon the ability of the Company to obtain necessary financing to meet its liabilities and commitments as they become due and the ability to generate future profitable production or operations or obtain sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. The interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As at March 31, 2018, management estimates that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

The financial statements for the three months ended March 31, 2018 have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on May 25, 2018.

2. Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at March 31, 2018.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Significant accounting policies

New and revised standards and interpretations

The accounting policies in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2017, except for the adoption, on January 1, 2018, of ***IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9"),*** which has an initial application as at this date.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial instruments. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

3. Significant accounting policies (continued)

New and revised standards and interpretations (continued)

If the business model is not to hold the debt instrument, it is classified as fair value through profit and loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI").

Fair value through profit or loss ("FVTRL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost*:* The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

The following table shows the classification of the Company's financial assets under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	Amortized cost
Other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company's financial statements and no restating of prior periods will be required.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- ***IFRS 16, Leases***: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and evaluation assets

Macmillan Pass Project (Yukon, Canada)	Note	**March 31, 2018**	**December 31, 2017**
Acquisition costs:			
Opening balance		$ 324,691	$ 100,000
Additions during the period:			
Cash payments		750,000	224,691
Shares issued	4,9	5,348,109	-
Total acquisition costs		6,422,800	324,691
Exploration costs:			
Opening balance		2,469,981	1,971
Additions during the period:			
Assaying		8,813	73,018
Camp		40,412	529,390
Community relations		500	1,850
Drilling		-	691,370
Engineering (Geophysics)		422,723	125,844
Field		1,258	8,670
Geological Consulting	10	92,240	756,080
Legal Fees		8,673	5,228
Other		6,050	160,897
Permitting		4,283	973
Reporting		52,931	54,522
Travel & Support		5,190	60,168
Total exploration costs		3,113,054	2,469,981
Ending balance		**$ 9,535,854**	**$ 2,794,672**

Tom Jason, Yukon, Canada

On December 14, 2016, the Company entered into a two year option agreement with Hudbay Minerals Inc. ("Hudbay") whereby the Company could acquire a 100% interest in the Tom Jason zinc-lead-silver property by paying $1,000,000 in cash, issuing such quantity of common shares in the capital of the Company as is equal to 15% of its issued and outstanding shares on a fully diluted basis but excluding shares issued for projects other than Tom Jason at the time the option is exercised, and incurring exploration expenditures of $1,000,000 over two years or a prorated lesser amount if the option is exercised earlier than two years.

These terms are summarized as follows:

Due Date	**Cash**	**Common shares**	**Cumulative exploration expenditures**
December 14, 2016	$ 100,000 (paid)	-	-
Earlier of the Company's IPO and exercise of the option	$ 150,000 (paid)	-	-
December 14, 2017	-	-	$ 250,000 (Completed)
Exercise of the option	$ 750,000 (paid)	15% of issued and outstanding shares (3,565,406 shares issued)	$ 1,000,000 (Completed)

During the period ended March 31, 2018, the Company exercised its option and paid the cash and issued the required shares to acquire a 100% interest in the Tom Jason property (Note 9).

Upon exercise of the option, the Company assumed a pre-existing 3% net smelter royalty ("NSR") on the Jason claims to third parties but has the right to purchase at any time - 1.5% of the NSR for $1,250,000 and the remaining 1.5% NSR for $4,000,000.

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and evaluation assets (continued)

On July 24, 2017, the Company entered into an option agreement with Newmont Canada Holdings, ULC ("Newmont"), whereby the Company can acquire a 100% interest in Newmont's MAC claims located on the northwest extension of the Company's Tom Jason claims by paying $450,000 in staged cash payments over four years (see summary of payments in the schedule below), maintaining the MAC claims in good standing (minimum cost of $82,000 per year), and granting Newmont a 0.25% Net Smelter Returns royalty ("NSR") on base metals, 1% NSR, on silver and 3% NSR on gold. Newmont will also have an exclusive but limited 30 days right of first offer on any future proposed sale, transfer or disposition by the Company of its interest in the MAC claims. The MAC claims are considered part of the MacMillan Pass project cash generating unit.

Option Payment Summary to Newmont:

Due Date	Amount
July 24, 2017 (signing of the option)	$50,000 (paid)
July 24, 2018 (first anniversary)	$80,000
July 24, 2019 (second anniversary)	$95,000
July 24, 2020 (third anniversary)	$110,000
July 24, 2021 (fourth anniversary)	$115,000
TOTAL	**$450,000**

The Company may prepay any of the option payments and/or prepay the entire purchase price at any time.

Option Agreement with Constantine Metal Resources Ltd. and Carlin Gold Corporation

During the period ended March 31, 2018, the Company entered into a letter option agreement with Constantine Metal Resources Ltd. ("Constantine") and Carlin Gold Corporation ("Carlin") to purchase the MC, MP and Jerry Claims, Mayo and Watson Lake Mining District. The letter agreement described the general terms whereby the Company will have the right to earn a 100% interest in the MC, MP, and Jerry claims, comprised of 624 Yukon Quartz Claim tenures estimated to be 11,877 hectares. The terms of the agreement are summarized below:

Due Date	Cash	Common shares
Exchange approval of the option agreement (May 9, 2018)	$75,000*	50,000*
On or before May 9, 2019	$125,000	50,000
On or before May 9, 2020	$150,000	100,000
On or before May 9, 2021	$150,000	100,000
TOTAL	**$500,000**	**300,000**

*the first payment was made, and 50,000 shares were issued subsequent to March 31, 2018 (Note 15).

The definitive agreement with Constantine-Carlin was signed subsequent to the period, ended March 31, 2018 (Note 15).

The Company may prepay any of the option payments and/or prepay the entire purchase price at any time.

Although not part of the consideration payable to exercise the option, the Company will pay an additional $750,000 or equivalent in shares at the Company's option, upon receiving a resource calculation of at least 2.0 million tonnes of indicated (or better) resource on any part of the Constantine-Carlin claims. Constantine-Carlin will retain the right to receive a NSR on any future mine production from the Constantine-Carlin claims as follows: 0.5% NSR on base metals and silver and 2% NSR on all other metals including gold. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims by Constantine and/or Carlin.

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and evaluation assets (continued)

Option Agreement with Golden Ridge Resources Ltd.

During the period ended March 31, 2018, the Company entered into a letter option agreement with Golden Ridge Resources Ltd. ("Golden Ridge") extending the Company's Macmillan Pass Project land position to the west and south over additional prospective ground.

This option allows the Company to acquire a 100% interest in the 333 NS and 326 BR quartz claim tenures from Golden Ridge. The Company can exercise the option and acquire 100% interest in the claims by making payments totaling $500,000 and issuing 450,000 shares over three years to Golden Ridge as follows:

Due Date	Cash	Common shares
Exchange approval of the option agreement (May 9, 2018)	$75,000*	75,000*
On or before May 9, 2019	$75,000	75,000
On or before May 9, 2020	$150,000	100,000
On or before May 9, 2021	$200,000	200,000
TOTAL	**$500,000**	**450,000**

*the first payment was made, and 75,000 shares were issued subsequent to March 31, 2018 (Note 15).

The Company may prepay any of the option payments and/or prepay the entire purchase price at any time.

Although not part of the consideration payable to exercise the option, the Company will pay an additional $750,000 or equivalent in shares at the Company's option, to Golden Ridge, upon receiving a resource calculation of at least 2.0 million tonnes of indicated (or better) resource on any part of the BR and NS claims.

Golden Ridge will retain the right to receive net smelter return royalties on any future mine production from the BR and NS claims as follows: 0.5% NSR on base metals and silver and 2% NSR on all other metals, including gold. There is also a third party 3% NSR on any future cobalt production from the BR and NS claims. The Company will have the right to purchase one-half of these NSR royalties (excluding the cobalt royalty) for $2.0 million at any time prior to the commencement of commercial production. The Company maintains a right of first refusal on the sale of any NSR royalty from the BR and NS claims by Golden Ridge.

The definitive agreement with Golden Ridge was signed subsequent to the period ended March 31, 2018 (Note 15).

(Unaudited - Expressed in Canadian Dollars)

5. Equipment

	Exploration Equipment	Computer Hardware	Total
Cost			
As at December 31, 2016	$ -	$ -	$ -
Additions	38,026	3,603	41,629
Balance as at December 31, 2017	38,026	3,603	41,629
Additions (Disposals)	-	-	-
Balance as at March 31, 2018	**38,026**	**3,603**	**41,629**
Accumulated Depreciation			
As at December 31, 2016	-	-	-
Charge for the period	(4,523)	(1,621)	(6,144)
As at December 31, 2017	(4,523)	(1,621)	(6,144)
Charge for the period	(1,675)	(223)	(1,898)
Balance as at March 31, 2018	**(6,198)**	**(1,844)**	**(8,042)**
Net book value			
As at December 31, 2017	33,503	1,982	35,485
As at March 31, 2018	**$ 31,828**	**$ 1,759**	**$ 33,587**

Equipment includes $38,026 of exploration equipment initially acquired under finance lease (2016 - $nil). During the period ended March 31, 2018, the Company committed to the acquisition of the equipment under the lease to complete the purchase and made a final payment subsequent to the period end (Note 6).

6. Finance lease obligation

During the year ended December 31, 2017, the Company entered into a finance lease for exploration equipment. The lease had an interest rate of 3% per annum with a term of 24 months, expiring in June 2019. The present value of the minimum lease payments related to the asset under the finance lease was $38,026. As at March 31, 2018, the Company committed to the payment of the outstanding balance to complete the purchase of the leased equipment.

The following is a schedule of the minimum lease payments together with the balance of the obligation under the finance lease:

	March 31, 2018
2018	$ 13,718
2019	9,128
Total minimum lease payments	22,846
Less interest at the implicit rate	(456)
Balance of the obligation	22,390
Less current portion of finance lease obligation	(13,341)
Less long-term portion of finance lease obligation	(9,049)
Principal payment	(22,390)
Long-term portion of finance lease obligation	$ -

(Unaudited - Expressed in Canadian Dollars)

6. Finance lease obligation (continued)

Continuity of finance lease obligation:

Balance of obligation, December 31, 2017	$	26,760
Principal payments		(27,396)
Finance expense on buy-out		636
Balance of obligation, March 31, 2018	$	-

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities mainly consist of payables to management and to vendors for work completed on the Company's project as well as accrual of professional fees and director fees. The breakdowns of accounts payable and accrued liabilities are as follows:

	Note		March 31, 2018		December 31, 2017
Payable to related parties	10	$	31,295	$	48,557
Payable to vendors			319,401		115,310
Accrued liabilities	10		59,916		111,548
		$	410,612	$	275,415

8. Flow-through liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances:

		March 31, 2018
Balance at December 31, 2017 and 2016	$	-
Liability incurred on flow through shares issued		1,020,000
Flow-through issuance costs		(207,768)
Settlement of flow through share liability on incurred expenditures, net of expensed flow-through share issue costs		(34,623)
Balance at March 31, 2018	**$**	**777,609**

On February 26, 2018, the Company issued 3,000,000 flow-through common shares at a price of $1.66 per share for gross proceeds of $4,980,000. A premium of $0.34 per share was received for the flow-through shares. Share issuance costs relating to the flow-through premium liability were $207,768.

During March, the Company incurred $212,284 of eligible flow-through expenditure, representing 4.3% of flow-through funds raised. Therefore, 4.3% of the premium liability ($43,480) was amortized to *Other income* on the statement of Operations and Comprehensive Loss. $8,857 flow-through-related share costs were expensed.

9. Capital stock

The authorized capital stock of the Company consists of an unlimited number of common shares without nominal or par value.

9. Capital stock (continued)

Issued and outstanding

As at March 31, 2018, the Company had 30,046,776 (December 31, 2017 – 17,756,370) common shares issued and outstanding

Transactions for the three months ended March 31, 2018

On January 24, 2018, the Company issued 25,000 shares on the exercise of agent's warrants for the total proceeds of $12,500 and allocated $6,549 from reserves to share capital.

On February 2, 2018, the Company issued 3,565,406 common shares to Hudbay pursuant to the terms of exercise of the Hudbay Property Option Agreement at a fair value of $5,348,109 based on the common share quoted market price, which was capitalized to mineral property acquisition (Note 4).

On February 26, 2018, the Company completed a private placement of flow-through and non-flow-through shares for gross proceeds of $12,504,000. The Company issued 3,000,000 flow-through shares at a price of $1.66 for the gross proceeds of $4,980,000, including a flow-through premium of $1,020,000 (Note 8) and 5,700,000 non-flow-through shares at a price of $1.32 for the gross proceeds of $7,524,000.

In connection with the private placement, the Company incurred $1,036,261 issue costs, $207,768 of which were allocated to flow-through share issue costs. The issue costs included $711,368 commission cash payments to brokers and a fair value of 250,064 compensation options granted to brokers in the amount of $174,625. The compensation options are exercisable at $1.32 for a period of 2 years following the grant date.

Transactions for the year ended December 31, 2017

On January 5, 2017, 1,900,000 common shares were issued at $0.10 per share for gross proceeds of $190,000. Of the $190,000, $80,000 was received in advance and included in subscriptions received in advance as at December 31, 2016.

On February 6, 2017, 1,680,000 common shares were issued at $0.25 per share for gross proceeds of $420,000.

On March 3, 2017, 140,000 common shares were issued at $0.25 per share for gross proceeds of $35,000.

On May 29, 2017, 8,050,000 common shares were issued at $0.50 per share for gross proceeds of $4,025,000 upon completion of the initial public offering ("IPO"). In connection with the IPO, the Company issued another 286,370 common shares with a fair value of $143,185 as commission, and 403,000 granted agents' warrants, exercisable at $0.50 for a period of two years from the date of grant, valued at $105,565. The Company also incurred $242,022 in cash share issuance costs.

Escrow shares

Pursuant to TSX Venture Exchange policies, 8,569,055 (December 31, 2017 – 5,895,000) common shares are held in escrow as at March 31, 2018. The common shares issued in connection with IPO and held in escrow are released in equal 15% tranches every 6 months from the listing date.

Stock options

The Company adopted a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time and are exercisable within a maximum of ten (10) years. The vesting period for all options is at the discretion of the directors. The exercise price will be set by the directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

During the three months ended March 31, 2018, the Company granted a total of 860,000 stock options to its officers, directors and consultants exercisable at a price of $1.45 per share for a five-year term. The options vest 20% every six months following the grant date.

(Unaudited - Expressed in Canadian Dollars)

9. Capital stock (continued)

Stock options (continued)

The following is a summary of the Company's stock option activity:

	Number of Options	**Weighted Average Exercise Price**
Balance as at December 31, 2016 and 2015	-	-
Granted	1,610,000	$0.54
Balance as at December 31, 2017	1,610,000	$0.54
Granted	860,000	$0.50
Balance as at March 31, 2018	**2,470,000**	**$0.86**

Share-based payments relating to options vested during the period ended March 31, 2018 using the Black-Scholes option pricing model were $164,687 (2017 - $292,994), which was recorded as reserves on the statements of financial position and as stock-based compensation expense on the statement of operations and comprehensive loss.

The associated share-based compensation expense for the options granted during the period was calculated based on the following weighted average assumptions:

	March 31, 2018	December 31, 2017
Risk-free interest rate	0.95%	1.04%
Expected life of options	5 years	5 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Weighted average share price on grant date	$1.45	$0.55
Fair value of options granted	$1.08	$0.41

As at March 31, 2018, the Company had outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	**Number of Options Granted**	**Number of Options Exercisable**	**Weighted Average Remaining life in Years**	**Weighted Average Exercise Price**
04/26/2022	1,380,000	276,000	4.07	$0.50
10/27/2022	30,000	-	4.58	$0.70
12/06/2022	200,000	50,000	4.69	$0.83
03/14/2023	860,000	-	4.96	$1.45
	2,470,000	**326,000**	**4.44**	**$0.86**

Agents' warrants and compensation options

During the period ended March 31, 2018, the Company issued 250,064 agent's compensation options with a fair value of $174,625, exercisable at $1.32 for a two-year period, following the grant date. The warrants and agents' options activity is summarized below:

(Unaudited - Expressed in Canadian Dollars)

9. Capital stock (continued)

Agents' warrants and compensation options (continued)

	Number of Warrants	**Weighted Average Exercise Price**
Balance as at December 31, 2016 and 2015	-	-
Issued	403,000	$0.50
Balance as at December 31, 2017	403,000	$0.50
Exercised	(25,000)	$0.50
Issued	250,064	$1.32
Balance as at March 31, 2018	**628,064**	**$0.826**

The fair value of the agents' compensation options of $174,625 was determined using the Black Scholes option valuation model with the assumptions indicated below.

	March 31, 2018	December 31, 2017
Risk-free interest rate	1.79%	0.71%
Expected life of options	2 years	2 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Share price on grant date	$1.32	$0.50

The entire amount of the compensation options was recorded directly to warrants reserve on the statement of financial position.

10. Related party transactions

Related party transactions mainly include management and consulting fees, director and committee fees as well as share-based compensation. The related parties are mainly represented by the key management personnel, which include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Related parties also include companies, controlled by officers and/or directors.

The renumeration to directors and key management personnel during the three months ended March 31, 2018 and 2017 was as follows:

Nature of the transaction		**Three months ended March 31, 2018**		**Three months ended March 31, 2017**
Director and committee fees	$	54,000	$	-
Investor relations		12,500		-
Management and consulting fees		47,500		22,500
Share-based compensation		70,018		-
	$	**184,018**	**$**	**22,500**

10. Related party transactions (continued)

The compensation to related parties during the three months ended March 31, 2018 totalled $184,018 (March 31, 2017 - $22,500), which comprised of $20,006 (2017 - $15,000) expensed to consulting fees, $27,494 (March 31, 2017 - $7,500) capitalized to exploration and evaluation assets, $70,018 (March 2017 - $nil) of vested share-based compensation, $12,500 (March 31, 2017 - $nil) expensed to investor relations and $54,000 of director and committee fees (March 2017 - $nil).

As at March 31, 2018, $31,295 (December 31, 2017 - $48,557) owing to key management was included in accounts payable and $18,000 out of $54,000 director and committee fees for the quarter (December 31, 2017 - $72,000) was accrued. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

11. Segmented information

The Company operates in one reportable segment, being the acquisition, exploration and development of mineral projects. All of the Company's operations are within the mineral exploration sector in Canada.

12. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has or feels it can raise adequate financial resources to do so. The Company is not subject to any externally imposed capital requirements and there were no changes to management's approach to capital manager during the period ended March 31, 2018.

13. Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, and accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's other financial instruments, cash, under the fair value hierarchy are based on level 1 quoted prices in active markets for identical assets and liabilities. The carrying value of lease liability approximates fair value as there has not been any significant changes in interest rates since initial recognition.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Receivables consist of GST recoverable amounts from the Federal Government of Canada. The Company believes its exposure to credit risk is equal to the carrying value of this balance. The Company has exposure to credit risk with respect to its cash as it places most of its cash in one financial institution in Canada. The Company believes its exposure is limited as it banks with a large Canadian institution.

(Unaudited - Expressed in Canadian Dollars)

13. Financial instruments (continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Company had a cash balance of $11,051,010 to settle current liabilities of $410,612. The Company believes it has sufficient funds to meet its current liabilities as they become due.

The Company is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2018, the Company has interest bearing cash balances and has committed to fulfill its lease obligation by completing the equipment purchase (Note 6). The Company believes the interest rate risk to be insignificant.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign currency risk

The Company operates predominately in Canada and is not exposed to any significant foreign currency risk.

14. Commitment

On December 19, 2016, the Company granted but did not issue, 1,000,000 performance shares to each of four founders/directors for a total of 4,000,000 shares, in recognition of services to date and as incentive for continuing services in advancing the project and increasing shareholder value. These performance shares will be issued upon achievement of the following milestones:

Number of shares to be issued	Milestone
300,000	Preparation of a positive preliminary economic assessment of the Tom and Jason zinc-lead-silver deposits (or any part of this property thereof).
300,000	Increasing the mineral resources contained within the Tom and Jason property by at least 50% over the current stated mineral resources as stated in the 2007 Technical Report by D. Rennie (either by additional tonnage or increased total zinc+lead+silver content at similar or higher grade).
Balance[1]	Preparation of a positive Pre-Feasibility Study of the Tom and Jason deposits (or any part thereof).
Balance[1]	The effective disposition of greater than 50% of the Tom and Jason deposits or of the Company, whether by way of sale, business combination, joint venture or other similar form of transaction, demonstrating a value of at least $10,000,000.

[1] Balance of the 1,000,000 performance shares which have not been previously issued will be issued upon the achievement of either one or the other of these two milestones.

15. Subsequent events

Subsequent to March 31, 2018, the Company entered into the following transactions:

- Signed definitive option agreements with Constantine and Carlin and Golden Ridge, following the letter agreements to purchase claim blocks adjacent to the Macmillan Pass Project, Yukon (Note 4).
- Received the Exchange approval of the above-mentioned option agreements, upon which the first cash payments were made to Constantine and Carlin ($37,500 each) and Golden Ridge ($75,000). The Company also issued a total of 125,000 shares (25,000 shares each to Constantine and Carlin and 75,000 shares to Golden Ridge (see Note 4 for details of the option agreements).