FIREWEED ZINC LTD.

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian Dollars)

Condensed Interim Financial Statements

March 31, 2019

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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, 2019 have not been reviewed by the Company's auditors.

FIREWEED ZINC LTD.
Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note		March 31, 2019		December 31, 2018
Assets					
Current assets:					
Cash		$	5,603,113	$	1,575,784
Receivables			38,223		50,254
Prepaid expenses			200,441		161,631
			5,841,777		1,787,669
Equipment	5		26,430		27,893
Reclamation bond			39,596		39,596
Exploration and evaluation assets	4		20,088,266		19,663,555
		$	25,996,069	$	21,518,713
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	7,11	$	352,258	$	327,380
			352,258		327,380
Deferred tax liability			528,259		455,000
Flow-through premium liability	8		548,347		-
Rehabilitation provisions			256,433		256,433
			1,685,297		1,038,813
Shareholders' equity:					
Capital stock	10		26,422,836		22,242,738
Options reserve	10		1,284,181		1,152,711
Warrants reserve	10		232,664		222,832
Deficit			(3,628,909)		(3,138,381)
			24,310,772		20,479,900
		$	25,996,069	$	21,518,713

Nature and continuance of operations (Note 1)
Commitment (Note 15)
Subsequent events (Note 16)

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 Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note		Three months ended March 31, 2019		March 31, 2018
Expenses					
Consulting and management fees	11	$	172,291	$	36,506
Depreciation	5		1,463		1,898
Director and committee fees	11		36,750		54,000
Finance expense	6		-		636
Investor relations and corporate development			76,783		229,430
Insurance expense			3,413		3,872
Office expenses			2,015		10,881
Payroll expense			9,040		4,826
Professional fees			18,487		16,105
Rent			15,555		5,850
Share-based compensation	10		131,470		164,687
Transfer agent & filing fees			10,976		9,645
Travel			11,119		9,902
			(489,362)		(548,238)
Amortization of flow-through liability	8		52,409		34,623
Foreign exchange			240		-
Interest income			19,444		20,765
Loss before income taxes		**$**	**(417,269)**	**$**	**(492,850)**
Deferred income tax			(73,259)		-
Comprehensive loss for the period		**$**	**(490,528)**	**$**	**(492,850)**
Loss per share – basic and diluted		$	(0.01)	$	(0.02)
Weighted average number of common shares outstanding – basic and diluted			33,418,436		23,222,793

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

FIREWEED ZINC LTD.

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

	Note		Three Months Ended March 31, 2019		March 31, 2018
OPERATING ACTIVITIES					
Loss for the period		$	(490,528)	$	(492,850)
Adjustment for items not affecting cash:					
Amortization of flow-through liability	8		(52,409)		(34,623)
Deferred income tax	8		73,259		-
Depreciation	5		1,463		1,898
Finance expense	6		-		636
Share-based compensation	10		131,470		164,687
Change in non-cash working capital items:					
Receivables			12,031		(11,197)
Prepaid expenses			(38,810)		(126,767)
Accounts payable and accrued liabilities	7		22,896		43,443
			(340,628)		**(454,773)**
INVESTING ACTIVITIES					
Exploration and evaluation assets	4		(422,729)		(1,301,319)
			(422,729)		**(1,301,319)**
FINANCING ACTIVITIES					
Capital stock	10		5,013,992		12,516,500
Share issue costs	10		(223,806)		(861,636)
Lease liability	6		-		(27,396)
Proceeds from warrants exercised	10		500		-
			4,790,686		**11,627,468**
Increase in cash			4,027,329		9,871,376
Cash, beginning of the year			**1,575,784**		**1,179,634**
Cash, end of the year		**$**	**5,603,113**	**$**	**11,051,010**

Supplemental disclosures with respect to cash flows:

Non-Cash Activities:	Note				
Exploration and evaluation expenditures included in accounts payable		$	140,169	$	210,372
Fair value of finders' warrants	10		10,094		174.625
Fair value of shares issued for property			-		5,348,109
Fair value of exercised finders' warrants	10	$	262	$	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		Deficit		Total
Balance at December 31, 2017		**17,756,370**	**$**	**4,592,913**	**$**	**105,565**	**$**	**292,994**	**$**	**(1,161,647)**	**$**	**3,829,825**
Shares issued for resource property	4	3,565,406		5,348,109		-		-		-		5,348,109
Shares issued in private placement	10	5,700,000		7,524,000		-		-		-		7,524,000
Flow-through shares issued in private placement	8,10	3,000,000		3,960,000		-		-		-		3,960,000
Share issue costs	10	-		(828,493)		174,625		-		-		(653,868)
Share-based compensation	10	-		-		-		164,687		-		164,687
Warrants exercised	10	25,000		19,049		(6,549)		-		-		12,500
Loss for the period		-		-		-		-		(492,850)		(492,850)
Balance at March 31, 2018		**30,046,776**	**$**	**20,615,578**	**$**	**273,641**	**$**	**457,681**	**$**	**(1,654,497)**	**$**	**19,692,403**
Balance at December 31, 2018		**31,696,776**	**$**	**22,242,738**	**$**	**222,832**	**$**	**1,152,711**	**$**	**(3,138,381)**	**$**	**20,479,900**
Shares issued in private placement	10	2,379,750		1,903,800		-		-		-		1,903,800
Flow-through shares issued in private placement	8,10	3,075,728		2,509,436		-		-		-		2,509,436
Share issue costs	10	-		(233,900)		10,094		-		-		(223,806)
Share-based compensation	10	-		-		-		131,470		-		131,470
Warrants exercised	10	1,000		762		(262)		-		-		500
Loss for the period		-		-		-		-		(490,528)		(490,528)
Balance at March 31, 2019		**37,153,254**	**$**	**26,422,836**	**$**	**232,664**	**$**	**1,284,181**	**$**	**(3,628,909)**	**$**	**24,310,772**

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 claims and zinc-lead-silver deposits, the Nidd claims and optioned large blocks of adjacent claims (MC, MP, Jerry, BR and NS, MAC) 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, 2019, 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, 2019 have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on May 29, 2019.

2. Basis of Presentation and Statement of Compliance.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. In addition, these interim financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at March 31, 2019 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company, except the newly adopted standards and interpretations described below (Note 3). These interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2018. In management’s opinion, all adjustments necessary for fair presentation have been included in these condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2019.

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

Critical accounting judgments, estimates and assumptions

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

3. Significant Accounting Policies (cont'd…)

Critical accounting judgments, estimates and assumptions (cont'd…)

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

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

Critical accounting judgment

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Exploration and evaluation assets

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount.

Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the period ended March 31, 2019 along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 10.

(Unaudited - Expressed in Canadian Dollars)

3. Significant Accounting Policies (cont'd…)

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, 2018, except for the adoption, on January 1, 2019, of ***IFRS 16, Leases*** and ***IFRIC 23, Uncertainty over Income Tax Treatments*** which has an initial application as at this date.

The newly adopted IFRS 16, Leases standard establishes 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. The Company has assessed its office lease agreement and concluded that the agreement does not constitute the ability to direct the use (right to use) of the underlying office premises in the context of IFRS 16. As such, the adoption of the above standard has not had an impact on the results and financial position of the Company.

The newly adopted IFRIC 23, Uncertainty over Income Tax Treatments clarifies the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The adoption of IFRIC 23 has not had an impact on the financial statements of the Company.

4. Exploration and Evaluation Assets

Macmillan Pass Project (Yukon, Canada)	Note		**March 31, 2019**		**December 31, 2018**
Acquisition and maintenance costs:					
Opening balance		$	8,226,892	$	324,691
Additions during the year:					
Cash payments			33,472		1,015,342
Shares issued	10		-		6,886,859
			33,472		7,902,201
Total acquisition costs			**8,260,364**		**8,226,892**
Exploration costs:					
Opening balance			11,436,663		2,469,981
Additions during the year:					
Assaying			83,552		267,295
Camp and field			29,109		2,078,520
Drilling			-		2,152,799
Engineering (Geophysics)			13,244		846,932
Geological Consulting	11		206,396		2,568,240
Legal Fees			4,318		24,085
Other			3,618		51,141
Permitting			17,040		17,951
Rehabilitation provisions	9		-		256,433
Reporting			20,555		94,731
Travel & Support			13,407		608,555
			391,239		8,966,682
Total exploration costs			**11,827,902**		**11,436,663**
Ending balance		**$**	**20,088,266**	**$**	**19,663,555**

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (cont'd…)

<u>Macmillan Pass Project, Yukon, Canada</u>

Option Agreement with Hudbay

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.

During the year ended December 31, 2018, the Company incurred the required exploration expenditures of $1,250,000 under the option agreement and, accordingly, exercised its option by paying a total of $1,000,000 cash and issuing 3,565,406 shares to acquire a 100% interest in the Tom Jason property (Note 10).

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.

Option Agreement with Newmont/Maverix

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 the 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% 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. On June 29, 2018 Newmont sold the MAC claims option agreement to Maverix Metals Inc. ("Maverix") as part of a larger transaction and as such the new registered owner and optionor of the MAC claims is now Maverix.

Option Payment Summary to Newmont/Maverix:

Due Date	Amount
July 24, 2017 (signing of the option)	$50,000 (paid)
July 24, 2018 (first anniversary)	$80,000 (paid)
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

In April 2018, the Company entered into a mineral property option agreement with Constantine Metal Resources Ltd. ("Constantine") and Carlin Gold Corporation ("Carlin") to purchase the MC, MP and Jerry Claims. The terms of the agreement whereby the Company will have the right to earn a 100% interest in the MC, MP, and Jerry claims (the "Constantine-Carlin claims") are summarized below

Due Date	Cash	Common shares
Exchange approval of the option agreement (May 9, 2018)	$75,000 (paid)	50,000 (issued)
On or before May 9, 2019	$125,000 (paid)*	50,000 (issued)*
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 cash payment of $125,000 was made and 50,000 shares were issued by the Company on May 3, 2019 subsequent to the period ended March 31, 2019.

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (cont'd…)

Macmillan Pass Project, Yukon, Canada (cont'd…)

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 in cash or equivalent in shares, 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 and 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. The Company maintains a right of first refusal on the sale of any NSR royalty from these claims by Constantine and/or Carlin.

Option Agreement with Golden Ridge Resources Ltd.

In April 2018, the Company entered into a mineral property option agreement with Golden Ridge Resources Ltd. ("Golden Ridge") extending the Company's Macmillan Pass Project land position.

This option allows the Company to acquire a 100% interest in a number of quartz claim tenures from Golden Ridge ("BR and NS claims"). As per the initial agreement, the Company can exercise the option and acquire a 100% interest in these claims by making payments totaling $500,000 and issuing 450,000 shares over three years to Golden Ridge.

Subsequent to the three months ended March 31, 2019, the Company signed an amending agreement, the terms of which are reflected in the schedule below (see Note 16 for more details).

Due Date	Cash	Common shares
Exchange approval of the option agreement (May 9, 2018)	$75,000 (paid)	75,000 (issued)
On or before May 9, 2019	$37,500 (paid)*	121,875 (issued)*
On or before May 9, 2020	$150,000	100,000
On or before May 9, 2021	$200,000	200,000
TOTAL	**$462,500**	**496,875**

*The cash payment of $37,500 was made and 121,875 shares issued in May 2019 subsequent to the period ended March 31, 2019.

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 in cash or equivalent in shares, 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 NSR 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 $2,000,000 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.

Acquisition of Nidd Property

On November 2, 2018, the Company entered into a purchase and sale agreement with Teck Metals Ltd. and Teck Mining Worldwide Holdings Ltd. ("Teck"). to acquire the right, title and interest in and to the Nidd property on the western extension of the Macmillan Pass Zinc Project in Yukon.

On November 27, 2018, as per the terms of the purchase and sale agreement, the Company issued 1,500,000 common shares of the Company with a fair value of $1,350,000 and granted Teck a 1% NSR on the production from the Nidd Property. The fair value of the shares issued was determined based on the market price at the date of the issuance.

(Unaudited - Expressed in Canadian Dollars)

5. Equipment

		Exploration Equipment		Computer Hardware		Total
Cost						
As at December 31, 2017 and 2018	$	38,026	$	3,603	$	41,629
Additions		-		-		-
Balance as at March 31, 2019		**38,026**		**3,603**		**41,629**
Accumulated Depreciation						
As at December 31, 2017		(4,523)		(1,621)		(6,144)
Depreciation expense		(6,700)		(892)		(7,592)
As at December 31, 2018		(11,223)		(2,513)		(13,736)
Depreciation expense		(1,340)		(123)		(1,463)
Balance as at March 31, 2019		**(12,563)**		**(2,636)**		**(15,199)**
Net book value						
As at December 31, 2018	$	26,803	$	1,090	$	27,893
As at March 31, 2019	**$**	**25,463**	**$**	**967**	**$**	**26,430**

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.

During the year ended December 31, 2018 the Company purchased the leased equipment by paying out the balance of the lease obligation.

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

		March 31, 2019		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)
Long-term portion of finance lease obligation	**$**	**-**	**$**	**-**

Continuity of finance lease obligation:

Balance of obligation, December 31, 2016	**$**	**-**
Additions:		38,026
Finance expense		(497)
Principal payments		(10,769)
Balance of obligation, December 31, 2017	**$**	**26,760**
Finance expense		384
Principal payments		(27,144)
Balance of obligation, December 31, 2018 and March 31, 2019	**$**	**-**

(Unaudited - Expressed in Canadian Dollars)

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, 2019		December 31, 2018
Payable to related parties	11	$	91,495	$	91,317
Payable to vendors			260,763		236,063
Total Accounts Payable and Accrued Liabilities		**$**	**352,258**	**$**	**327,380**

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:

Balance at December 31, 2017	**$**	**-**
Liability incurred on flow-through shares issued		1,020,000
Flow-through issuance costs		(207,768)
Settlement of flow-through liability on incurred expenditures		(812,232)
Balance at December 31, 2018	**$**	**-**
Liability incurred on flow-through shares issued		**649,609**
Flow-through issuance costs		(48,853)
Settlement of flow-through liability on incurred expenditures		(52,409)
Balance at March 31, 2019	**$**	**548,347**

On February 15, 2019, the Company issued 1,820,728 flow-through common shares at a price of $0.95 per share for gross proceeds of $1,729,692 and 1,255,000 flow-through shares at a price of $1.10 through a charity arrangement for the proceeds of $1,380,500. Premiums of $0.15 and $0.30 per share were recorded for each of these flow-through share issuances, totaling $649,609 in flow-through liability. Share issuance costs allocated to the flow-through premium liability were $48,853.

During the three months ended March 31, 2019, the Company incurred eligible flow-through expenditures in the amount of $271,328, representing 9% of the total flow-through funds raised. Therefore, 9% of the flow-through premium liability ($56,671) and 9% of the flow-through related share issuance costs ($4,262) were recognized on the statement of loss and comprehensive loss, resulting in the flow-through liability balance of $548,347 as at March 31, 2019.

The deferred income tax of $73,259 was recognized for the three months ended March 31, 2019, based on the eligible flow-through expenditures incurred in the period and the statutory tax rate of 27%.

9. Rehabilitation Provisions

The Company has estimated that the present value of future rehabilitation costs required to remediate the Tom Jason property based on its current state. The Company did not have any rehabilitation provisions prior to the acquisition of the Tom Jason property.

Although the ultimate amount of the rehabilitation liability is uncertain, the best estimate of these obligations is based on information currently available. Current significant closure and rehabilitation activities include dismantling and removing camp facilities, roads reclamation and mobile equipment removal costs.

(Unaudited - Expressed in Canadian Dollars)

9. Rehabilitation Provisions (cont'd…)

The total amount of estimated undiscounted cash flow required to settle the Company's estimated obligation as at December 31, 2018 is $234,596. The calculation of present value of estimated future cash flows assumed a discount rate of 1.79% and an inflation rate of 2.70%. Rehabilitation costs are estimated to be settled at various dates during 2028.

As at March 31, 2019, the rehabilitation liability balance remained the same as there has been no changes in the estimates or rates.

		March 31, 2019
Balance, December 31, 2017	**$**	**-**
Change in estimates		256,433
Balance, December 31, 2018 and March 31, 2019	**$**	**256,433**

10. Capital Stock

The authorized capital stock of the Company consists of an unlimited number of common shares without nominal or par value. As at March 31, 2019, the Company had 37,153,254 (December 31, 2018 – 31,696,776) common shares issued and outstanding.

Transactions for the three months ended March 31, 2019

The Company closed a non-brokered private placement for gross proceeds of $5,013,992 on February 15, 2019. The Company issued a total of 2,379,750 common shares at a price of $0.80 per share, 1,820,728 flow-through common shares at a price of $0.95 and 1,255,000 charity flow-through common shares at a price of $1.10 through a donation arrangement. An associated flow-through liability of $649,609 was recognized on the statement of financial position (Note 8).

The Company incurred a total of $233,900 issue costs, $48,853 of which was allocated to flow-through share issue costs. The issue costs included 6% finders' cash commission ($36,237) and a fair value of 34,680 agents' warrants in the amount of $10,094 as well as other legal, advisory and filing fees. All the agent's warrants are exercisable at $0.95 for a period of two years from the grant date.

On March 14, 2019, the Company issued 1,000 shares on the exercise of agent's warrants for the total proceeds of $500 and allocated $262 from reserves to share capital.

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 total proceeds of $12,500 and allocated $6,549 from warrants reserve to capital stock.

On February 2, 2018, the Company issued 3,565,406 common shares to Hudbay pursuant to the terms 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 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 $985,644 issue costs, $207,768 of which were allocated to flow-through share issue costs. The issue costs included $721,368 commission cash payments to brokers and a fair value of 250,064 compensation options granted to brokers in the amount of $123,816. The compensation options are exercisable at $1.32 for a period of 2 years following the grant date.

(Unaudited - Expressed in Canadian Dollars)

10. Capital Stock (cont'd…)

Escrow shares

Pursuant to TSX Venture Exchange policies, 5,141,433 (December 31, 2018 – 5,141,433) common shares are held in escrow as at March 31, 2019. The common shares issued in connection with IPO and held in escrow were released as to 10% on the listing date and the balance in equal 15% tranches is released every six months from the listing date.

On February 2, 2018, the Company issued 3,565,406 shares to Hudbay upon exercise of the option to acquire 100% interest in the Tom Jason property (Note 4), which were placed in escrow with 25% of shares released on Feb 6, 2018 and another 15% released on May 29, 2018. The balance is scheduled to be released in equal 15% tranches every six months.

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.

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

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2017	**1,610,000**	**$0.54**
Granted	860,000	$0.54
Exercised	(25,000)	$0.83
Balance as at December 31, 2018 and March 31, 2019	**2,445,000**	**$0.86**

Share-based payments relating to options vested during the period ended March 31, 2019 using the Black-Scholes option pricing model were $131,470 (2018 - $164,687), which was recorded as reserves on the statements of financial position and as stock-based compensation expense on the statement of loss and comprehensive loss.

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

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

(Unaudited - Expressed in Canadian Dollars)

10. Capital Stock (cont'd…)

Stock options (cont'd…)

As at March 31, 2019, the Company had outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining life in Years	Weighted Average Exercise Price
04/26/2022	1,380,000	828,000	3.07	$0.50
10/27/2022	30,000	12,000	3.58	$0.70
12/06/2022	175,000	175,000	3.69	$0.83
03/14/2023	860,000	344,000	3.96	$1.45
	2,445,000	**1,359,000**	**3.43**	**$0.86**

Agents' warrants and compensation options

During the period ended March 31, 2019, the Company issued 34,680 agent's warrants with a fair value of $10,094, exercisable at $0.95 for a two-year period, following the grant date. The agents' warrants and options activity is summarized below:

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2017	**403,000**	**$0.50**
Issued	250,064	$1.32
Exercised	(25,000)	$0.50
Balance as at December 31, 2018	**628,064**	**$0.83**
Issued	34,680	$0.95
Exercised	(1,000)	$0.50
Balance as at March 31, 2019	**661,744**	**$0.83**

The fair value of the agents' warrants of $10,094 was determined using the Black Scholes option valuation model with the assumptions indicated below**.**

	March 31, 2019	December 31, 2018
Risk-free interest rate	1.78%	1.79%
Expected life of options	2 years	2 years
Annualized volatility	75.00%	66.88%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Share price on grant date	$0.80	$1.32

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

11. 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, 2019 and 2018 was as follows:

(Unaudited - Expressed in Canadian Dollars)

11. Related Party Transactions (cont'd…)

Nature of the transaction		Three months ended March 31, 2019		Three months ended March 31, 2018
Director and committee fees	$	36,750	$	54,000
Investor relations and corporate development		-		12,500
Management and consulting fees expensed		155,191		20,006
Management and consulting fees capitalized to exploration and evaluation		3,059		27,494
Share-based compensation		66,490		70,018
	$	**261,490**	**$**	**184,018**

The following amounts were owed to directors and key management personnel. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

			March 31, 2019		December 31, 2018
Directors	Director and committee fees	$	-	$	73,500
Key management	Management fees and expense recoveries		91,495		17,817
		$	**91,495**	**$**	**91,317**

12. 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.

13. 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 may 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, 2019.

14. Financial Instruments and Risk Management

Fair Value

The Company has classified its financial instruments as follows:

Financial instrument	IFRS 9 Classification
Cash	Fair value through profit and loss
Receivables	Financial asset measured at amortized cost
Reclamation bond	Financial asset measured at amortized cost
Accounts payable and accrued liabilities	Financial asset measured at amortized cost

14. Financial Instruments and Risk Management (cont'd…)

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, reclamation bond 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 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 of $38,223 consist of Goods and Services Tax ("GST") recoverable 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.

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, 2019, the Company had a cash balance of $5,603,113 to settle current liabilities of $352,258. 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, 2019, the Company is not exposed to significant interest rate risk.

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.

(Unaudited - Expressed in Canadian Dollars)

15. 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. Each founder/director will receive, upon request, the following performance shares 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.

16. Subsequent Events

The following events took place subsequent to the three months ended March 31, 2019:

- On April 15, 2019, the Company signed an amending agreement with Golden Ridge increasing the number of shares to be issued and reducing cash payment to be made on or before 12 months following the initial agreement approval date of May 9, 2018. The number of shares issued changed from 75,000 to 121,875, while the cash payment to Golden Ridge was reduced from $75,000 to $37,500. In all other respects, the initial option agreement remains unchanged (Note 4).

- On May 7, 2019, a total of 200,000 agents' warrants were exercised at $0.50 for gross proceeds of $100,000. Upon this exercise, a total of $52,390 was re-allocated from reserves to capital stock.

- On May 14, 2019, a total of 15,000 agents' warrants were exercised at $0.50 for gross proceeds of $7,500. Upon the exercise, an amount of $3,929 was re-allocated from reserves to capital stock.