FIREWEED ZINC LTD.

(An Exploration Stage Company)

(Audited - Expressed in Canadian Dollars)

Financial Statements

December 31, 2017 and 2016

Index

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Fireweed Zinc Ltd.

We have audited the accompanying financial statements of Fireweed Zinc Ltd., which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of operations and comprehensive loss, cash flows, and changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Fireweed Zinc Ltd. as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

April 27, 2018

FIREWEED ZINC LTD.
Statements of Financial Position as at
(Expressed in Canadian Dollars)

	Note		December 31, 2017		December 31, 2016
Assets					
Current assets:					
Cash		$	1,179,634	$	72,214
Receivables	13		40,321		4,013
Prepaid expenses			81,888		1,950
			1,301,843		78,177
Equipment	5		35,485		-
Exploration and evaluation assets	4		2,794,672		101,971
		$	4,132,000	$	180,148
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	7,10	$	275,415	$	31,808
Lease liability	6		17,711		-
			293,126		31,808
Long-term lease liability	6		9,049		-
			302,175		31,808
Shareholders' equity:					
Capital stock	8		4,592,913		270,500
Share-based compensation	8		292,994		-
Warrants reserve	8		105,565		-
Subscriptions received in advance			-		80,000
Deficit			(1,161,647)		(202,160)
			3,829,825		148,340
		$	4,132,000	$	180,148

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 financial statements.

FIREWEED ZINC LTD.

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

	Note		Years Ended December 31, 2017		2016
Expenses					
Consulting fees	10	$	160,879	$	4,450
Depreciation	5		6,144		-
Director fees	10		72,000		-
Finance expense	6		497		-
Foreign exchange			111		-
Investor relations			266,234		957
Insurance expense			8,205		-
Office expenses			16,513		336
Professional fees			67,262		45,171
Property investigation			4,225		36,279
Rent			23,400		-
Share-based compensation	8		292,994		100,000
Transfer agent & filing fees			40,144		-
Travel			14,589		1,446
Interest income			(13,710)		-
Loss and comprehensive loss for the year		$	(959,487)	$	(188,639)
Loss per share – basic and diluted		$	(0.07)	$	(0.06)
Weighted average number of common shares outstanding – basic and diluted			14,133,194		3,390,983

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

FIREWEED ZINC LTD.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Note		Year ended December 31, 2017		Year ended December 31, 2016
OPERATING ACTIVITIES					
Loss for the year		$	(959,487)	$	(188,639)
Adjustment for items not affecting cash:					
Depreciation	5		6,144		-
Share-based compensation	10		292,994		100,000
Change in non-cash working capital items:					
Receivables	13		(36,308)		(3,832)
Prepaid expenses			(79,938)		(1,950)
Accounts payable and accrued liabilities	7		125,164		18,731
			(651,431)		(75,690)
INVESTING ACTIVITIES					
Equipment	5		(3,603)		-
Exploration and evaluation assets	4		(2,574,258)		(101,796)
			(2,577,861)		(101,796)
FINANCING ACTIVITIES					
Capital stock, net of issuance costs	7		4,347,978		169,700
Lease liability	6		(11,266)		-
Subscription received in advance			-		80,000
			4,336,712		249,700
Increase in cash			1,107,420		72,214
Cash, beginning of the year			72,214		-
Cash, end of the year		$	1,179,634	$	72,214

Supplemental disclosures with respect to cash flows:

		2017		2016
Cash paid during the year for income taxes	$	-	$	-
Cash paid during the year for interest	$	497	$	-

Supplemental Schedule of Non-Cash Investing and Financing Activities

		2017		2016
Exploration and evaluation expenditures included in accounts payable	$	118,618	$	175
Equipment under finance lease		38,026		-
Fair value of finders' warrants		105,565		-

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

FIREWEED ZINC LTD.

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

	Note	Capital Stock		Warrants reserve	Options reserve	Subscriptions received in advance	Deficit	Total
		Shares	Amount					
Balance at December 31, 2015		3,200,000	$ 800	$ -	$ -	$ -	$ (13,521)	$ (12,721)
Shares surrendered		(1,200,000)	(300)	-	-	-	-	(300)
Seed financings	8	3,700,000	270,000	-	-	-	-	270,000
Subscriptions received in advance	8	-	-	-	-	80,000	-	80,000
Loss for the year		-	-	-	-	-	(188,639)	(188,639)
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
Initial public offering	8	8,336,370	4,168,185	-	-	-	-	4,168,185
Share issue costs	8	-	(490,772)	105,565	-	-	-	(385,207)
Share-based compensation	8	-	-	-	292,994	-	-	292,994
Loss for the year		-	-	-	-	-	(959,487)	(959,487)
Balance at December 31, 2017		17,756,370	$ 4,592,913	$ 105,565	$ 292,994	$ -	$ (1,161,647)	$ 3,829,825

The accompanying notes are an integral part of these 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 and MAC claims in Yukon, Canada. 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 the Company's 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 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 December 31, 2017, 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 year ended December 31, 2017 have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on April 27, 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 December 31, 2017.

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

a) Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized on the basis of specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, disposed of through sale, or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

On an on-going basis, the capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. Management's determination for impairment is based on: 1) whether the Company's exploration programs have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

3. Significant accounting policies (cont'd…)

a) Exploration and evaluation assets (cont'd…)

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect the recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production

b) Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense. The Company currently does not have any provisions for environmental rehabilitation.

c) Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

d) Loss per share

Basic loss per common share is calculated by dividing net loss available to common shareholders by the weighted-average number of shares outstanding during the year. The effect of dilutive stock options, warrants and similar instruments on loss per share is recognized on the use of the proceeds that could be obtained upon these and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per share value excludes all dilutive potential common shares if their effect is anti-dilutive.

3. Significant accounting policies (cont'd…)

e) New accounting policies

Equipment

Equipment is stated at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit and loss during the period in which they are incurred.

The major categories of equipment are amortized as follows: Computer Hardware: 45% declining balance, and Exploration Equipment: 20% declining balance

Share-Based Payments

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

f) Critical accounting estimates, judgments, 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. 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.

3. Significant accounting policies (cont'd…)

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

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.

g) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they revert, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

3. Significant accounting policies (cont'd…)

h) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in accumulated other comprehensive (income) loss. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable, accrued liabilities and lease liabilities are classified as other financial liabilities. Refer to Note 13 for additional details.

3. Significant accounting policies (cont'd…)

i) Capital stock

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

New standards and interpretations not yet adopted

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:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018. The adoption of this standard and amendments is not expected to have a material impact in the Company's financial statements.

- 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.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

Macmillan Pass Project (Yukon, Canada)	Note	**December 31, 2017**	**December 31, 2016**
Acquisition costs:			
Opening balance		$ 100,000	$ -
Additions during the period:			
Cash payments		224,691	100,000
Total acquisition costs		324,691	100,000
Exploration costs:			
Opening balance		1,971	-
Additions during the period:			
Assaying		73,018	-
Camp		529,390	-
Community relations		1,850	-
Drilling		691,370	-
Engineering (Geophysics)		125,844	-
Field		8,670	-
Geological Consulting	10	756,080	1,971
Legal Fees		5,228	-
Other		160,897	-
Permitting		973	-
Reporting		54,522	-
Travel & Support		60,168	-
Total exploration costs		2,469,981	1,971
Ending balance		**$ 2,794,672**	**$ 101,971**

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 can 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*	15% of issued and outstanding shares*	$ 1,000,000 (Completed)

* Subsequent to December 31, 2017, the Company exercised its options and paid the cash and issued the remaining shares (Note 15)

Upon exercise of the option, the Company will assume a pre-existing 3% net smelter royalty ("NSR") on certain claims to third parties but will then have 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.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets (cont'd…)

Prior to the signing of the option agreement, the Company did due diligence work and started the NI 43-101 technical report on Tom Jason property, and the associated cost of $36,279 was expensed to the statements of operations and comprehensive loss during the year ended December 31, 2016.

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 0.25% a 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.

5. Equipment

	Exploration Equipment	Computer Hardware	Total
Cost			
As at December 31, 2016 and 2015	$ -	$ -	$ -
Additions	38,026	3,603	41,629
Balance as at December 31, 2017	38,026	3,603	41,629
Depreciation			
As at December 31, 2016 and 2015	-	-	-
Charged for the year	(4,523)	(1,621)	(6,144)
Balance as at December 31, 2017	(4,523)	(1,621)	(6,144)
Net book value			
As at December 31, 2016 and 2015	-	-	-
As at December 31, 2017	$ 33,503	$ 1,982	$ 35,485

Equipment includes $38,026 of exploration equipment under finance lease (2016 - $nil) (Note 6).

(Expressed in Canadian Dollars)

6. Finance lease obligation

During the year ended December 31, 2017, the Company entered into a finance lease for exploration equipment. The lease bears interest at a 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 is $38,026.

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

		December 31, 2017
2018	$	18,282
2019		9,128
Total minimum lease payments		27,410
Less interest at the implicit rate		(650)
Balance of the obligation		26,760
Less current portion of finance lease obligation		(17,711)
Long term portion of finance lease obligation	$	9,049

Continuity of finance lease obligation:

Balance of obligation, December 31, 2016	$	-
Addition:		38,026
Finance expense		(497)
Principal payments		(10,769)
Balance of obligation, December 31, 2017	$	26,760

7. Accounts payable and accrued liabilities

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

	Note		December 31, 2017		December 31, 2016
Payable to related parties	10	$	48,557	$	14,308
Payable to vendors			115,310		-
Accrued liabilities	10		111,548		17,500
		$	275,415	$	31,808

8. Capital stock

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

Issued and outstanding

As at December 31, 2017, the Company had 17,756,370 (December 31, 2016 – 5,700,000) common shares issued and outstanding.

8. Capital stock (cont'd…)

Issued and outstanding (cont'd…)

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.

Transactions for the year ended December 31, 2016

On September 20, 2016, 1,200,000 of incorporation shares with a value of $300 were surrendered and returned back to the Company.

On October 24, 2016, 2,000,000 common shares were issued at $0.01 per share for gross proceeds of $20,000. In connection with the issuance, share-based compensation of $100,000 was recorded in profit and loss to reflect the fair value of the shares.

On October 25, 2016, 500,000 common shares were issued at $0.06 per share for gross proceeds of $30,000.

On December 12, 2016, 1,200,000 common shares were issued at $0.10 per share for gross proceeds of $120,000.

Escrow shares

Pursuant to TSX Venture Exchange policies, 5,895,000 (December 31, 2016 – Nil) common shares are held in escrow as at December 31, 2017. 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.

(Expressed in Canadian Dollars)

8. Capital stock (cont'd…)

Stock options (cont'd…)

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**

Share-based payments relating to options vested during the year ended December 31, 2017 using the Black-Scholes option pricing model was $292,994 (2016 - $nil), 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 year was calculated based on the following weighted average assumptions:

	December 31, 2017	December 31, 2016
Risk-free interest rate	1.04%	-
Expected life of options	5 years	-
Annualized volatility	100%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-
Weighted average share price on grant date	$0.55	-
Fair value of options granted	$0.41	

As at December 31, 2017, 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	4.32	$0.50
10/27/2022	30,000	-	4.82	$0.70
12/06//2022	200,000	-	4.93	$0.83
	1,610,000	**276,000**	**4.41**	**$0.54**

Agents' warrants

In connection with the IPO, the Company granted 403,000 agents' warrants, exercisable at $0.50 for a period of two years from the date of grant. The warrants activity is summarized below:

	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**

(Expressed in Canadian Dollars)

8. Capital stock (cont'd…)

Agents' warrants (cont'd…)

The fair value of the agents warrants of $105,565 was determined using the Black Scholes option valuation model with the assumptions indicated below.

	December 31, 2017	December 31, 2016
Risk-free interest rate	0.71%	-
Expected life of options	2 years	-
Annualized volatility	100%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-
Share price on grant date	$0.50	-

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

9. Income taxes

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

		2017		2016
Net loss for the year	$	(959,487)	$	(188,639)
Expected income tax expense (recovery)	$	(249,000)	$	(49,000)
Permanent difference		77,000		26,000
Share issue cost		(63,000)		-
Change in statutory, foreign tax, foreign exchange rates and other		(11,000)		1,000
Change in unrecognized deductible temporary differences		246,000		22,000
Total income taxes	$	-	$	-

The significant components of deductible temporary differences, unused tax losses and unused tax credits that have not been included on the statement of financial position are as follows:

		December 31, 2017	**Expiry dates**		**December 31, 2016**	**Expiry dates**
Share issue costs	$	194,000	2038-2041	$	-	-
Non-capital losses	$	821,000	2026-2037	$	65,000	2025-2026

Tax attributes are subject to review and potential adjustment by tax authorities.

(Expressed in Canadian Dollars)

10. Related party transactions

Related party transactions mainly include management and consulting 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 party transactions also include companies, controlled by officers and/or directors.

The remuneration of directors and key management personnel during the year ended December 31, 2017 and 2016 were as follows:

Nature of the transaction		Year ended December 31, 2017		Year ended December 31, 2016
Share-based compensation	$	235,516	$	-
Management and consulting fees		174,500		4,975
Property investigation		1,225		-
	$	**411,241**	**$**	**4,975**

The remuneration of key management personnel during the year ended December 31, 2017 totalled $411,241 (2016 - $4,975), which comprised of $92,129 (2016 - $4,450) expensed to consulting fees, $82,371 (2016 - $175) capitalized to exploration and evaluation assets, $235,516 (2016 - $nil) vested share-based compensation, $1,225 (2016 - $nil) expensed to property investigation and $nil (2016 - $350) expensed to investor relations. As at December 31, 2017, $48,557 (December 31, 2016 - $14,308) owing to key management was included in accounts payable and $72,000 (2016 - $nil) was accrued for director and committee fees. 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 year ended December 31, 2017

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.

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 December 31, 2017, the Company had a cash balance of $1,179,634 to settle current liabilities of $293,126. 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 December 31, 2017, the Company has interest bearing cash balances and has entered into a finance lease at a rate of 3% per annum. 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.

(Expressed in Canadian Dollars)

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 December 31, 2017, the Company entered into the following transactions:

- The Company exercised its option with Hudbay Minerals Inc (“Hudbay”) by issuing 3,565,406 common shares and making a final payment of $750,000 to earn a 100% interest in Hudbay’s Tom and Jason Project in Yukon, Canada (see Note 4 for details of this option).

- In January 2018, 25,000 agents’ warrants were exercised and $6,549 were reallocated from reserves to share capital.

- The Company issued a total of 5,700,000 common shares and 3,000,000 flow-through common shares of the Company at a price of $1.32 per common share and $1.66 per flow-through share, respectively, for the aggregate gross proceeds of $12,504,000. In connection with this private placement, the Company incurred $797,026 in share issuance costs, $710,000 of which represented commission cash payments to brokers. The Company also granted 250,064 compensation options to the brokers, exercisable at $1.32 for a period of two years, with a total fair value of $174,625.

- The Company granted a total of 860,000 stock options exercisable at a price of $1.45 per share for a five-year term.

- On March 27, 2018, the Company announced the signing of two separate letter agreements for options to purchase claim blocks adjacent to the Macmillan Pass Project, Yukon.

  The terms of the first agreement with Constantine Metal Resources Ltd. (“Constantine”) and Carlin Gold Corporation (“Carlin”) (the “Constantine-Carlin Option”) include making payments totaling $500,000 and issuing 300,000 shares over three years to Constantine. The Company may prepay any of the option payments and/or prepay the entire purchase price at any time. Constantine-Carlin will retain the right to receive net smelter return royalties (“NSR”) on any future mine production from the Constantine-Carlin claims as follows: on base metals and silver - 0.5% NSR, and on all other metals including gold - 2% NSR. The Company maintains a right of first refusal on the sale of any NSR royalty from these claims by Constantine and/or Carlin.

15. Subsequent events (cont'd…)

The terms of the second agreement with Golden Ridge Resources Ltd ("Golden Ridge") include making payments totaling $500,000 and issuing 450,000 shares over three years to Golden Ridge. The Company may prepay any of the option payments and/or prepay the entire purchase price at any time. Golden Ridge will retain the right to receive net smelter return royalties ("NSR") on any future mine production from certain claims as follows: on base metals and silver 0.5% NSR, and on all other metals including gold 2% NSR. There is also a third party 3% NSR on any future cobalt production on certain 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.