

**FIREWEED ZINC LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2018**

**NOTE TO READER**

This Management's Discussion and Analysis ("MD&A") is for the year ended December 31, 2018 of Fireweed Zinc Ltd. ("Fireweed" or the "Company") prepared as at April 23, 2019 and should be read in conjunction with the Company's audited financial statements and related notes for the years ended December 31, 2018 and 2017. All financial information in this MD&A and all dollar amounts are in Canadian dollars unless otherwise noted. Additional information relating to the Company is available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) and on the Company's website: [www.fireweedzinc.com](http://www.fireweedzinc.com)

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements".

**DESCRIPTION OF BUSINESS**

Fireweed Zinc Ltd. is an exploration stage, public mineral exploration company focused on zinc and managed by a veteran team of mining industry professionals. The Company is advancing its large 544 km<sup>2</sup> Macmillan Pass Project (the "Project") in Yukon, Canada, which is host to the 100%-owned Tom and Jason zinc-lead-silver deposits with recently announced new mineral resources and a preliminary economic study ("PEA") as well as the Boundary Zone and End Zone which have significant zinc-lead-silver mineralization drilled but not yet classified as mineral resources. The project also includes option agreements on large blocks of adjacent claims (MAC, MC, MP, Jerry, BR and NS) (collectively with the Tom, Jason and Nidd claims, the "Macmillan Pass Project" or the "Property") which cover exploration targets in the district where previous work identified zinc, lead and silver geochemical anomalies in critical host geology.

The Company acquired 100% interest in the Tom and Jason claims and assets through exercise of an option (the "Hudbay Option Agreement") from Hudbay Minerals Inc. ("Hudbay"). The Company acquired 100% interest in the neighbouring Nidd claims from Teck Metals Ltd. ("Teck"). With these properties, along with other optioned neighbouring claims, the Company has now consolidated all the key claims and known large zinc prospects of the Macmillan Pass Zinc District.

The Company was incorporated on October 20, 2015 and commenced business at that time. The Company's business is to operate as a mineral exploration and development company focused on the funding and exploration of the Project. Fireweed completed its initial public offering (the "IPO") on May 29, 2017 and commenced trading on the TSX Venture stock exchange (the "Exchange") as a Tier 2 issuer under the symbol FWZ. The Company is incorporated in Yukon, extra-provincially registered in British Columbia and is a reporting issuer in British Columbia, Yukon, Ontario and Alberta. To date, equity financings have provided the main source of financing.

The recovery of the Company's investment in its Property will depend upon the discovery and definition of economically recoverable mineral reserves and the ability to raise sufficient capital to finance mining operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

**OVERALL PERFORMANCE AND HIGHLIGHTS**

During the year ended December 31, 2018, the Company accomplished the following:

- On January 10, 2018, the Company published new mineral resources in accordance with NI43-101 consisting of 11.2MT at 9.6% ZnEq Indicated plus 39.5MT at 10.0% ZnEq Inferred. The full report was published on [www.sedar.com](http://www.sedar.com) on February 24, 2018 (see below for details).
- On February 7, 2018, the Company exercised the Hudbay Option Agreement and became 100% owner of the Tom and Jason claims and associated assets.

- On February 26, 2018, the Company closed a brokered private placement. A total of 5,700,000 common shares of the Company and 3,000,000 flow-through common shares of the Company were sold at \$1.32 and \$1.66 respectively for the aggregate gross proceeds of \$12,504,000.
- On March 15, 2018, the Company announced it had granted a total of 860,000 stock options to its employees, officers and consultants. The options vest 20% every six months, following the grant date, and are exercisable at a price of \$1.45 per share for a five-year term. Employees and consultants were granted 485,000 stock options, and directors and officers were granted 375,000 stock options.
- On March 22, 2018, the Company announced the appointment of Mr. Gilles Dessureau to the position of Vice President of Exploration, and Mr. Neil MacRae to the position of Investor Relations Manager. More information on the appointments is provided in the Company's news release, dated March 22, 2018.
- On March 27, 2018, the Company announced that it had optioned several additional neighbouring claim blocks from Constantine Metal Resources Ltd. ("Constantine") and Carlin Gold Corporation ("Carlin"), and from Golden Ridge Resources Ltd ("Golden Ridge"). Details on these acquisitions are described below and provided in the Company's news release dated March 27, 2018.
- On May 15, 2018, the Company announced results of positive metallurgical tests including high quality global (65% Tom and 35% Jason) zinc concentrate grading 58% zinc at 89% zinc recovery and lead concentrate grading 61% lead at 75% lead recovery. For details and additional information see the Company's news release dated May 15, 2018.
- On May 9, 2018, the Company made option payments to Constantin and Carlin, and to Golden Ridge of \$75,000 to each of the option holders as well as issued 50,000 and 75,000 shares, respectively. Please see below for details on the option agreements.
- On June 5, 2018, the Company announced appointment of a new Chief Financial Officer and the start of field work on the Property.
- On July 9, 2018 the Company announced filing of an independent Preliminary Economic Assessment report on the Property on [www.sedar.com](http://www.sedar.com).
- On August 22, 2018 the Company provided an exploration update for the Property including progress on drilling and field work.
- On September 20, 2018 the Company announced the first drill results for 2018 including 21.1% Zinc, 13.5% Lead and 243 g/t Silver over 16.41 meters in a step out hole at Tom East.
- On October 10, 2018 the Company announced the second set of drill results for 2018 including 12.61% Zinc, 16.40% Lead and 221 g/t Silver over 12.73 meters (true width) at Tom West.
- On October 31, 2018 the Company announced the third set of drill results for 2018 including 8.11% Zinc, 6.31% Lead and 82 g/t Silver over 10.16 meters (true width) at Tom East.
- On November 13, 2018 the Company announced the fourth set of drill results for 2018 including 8.43% Zinc, 3.23% Lead and 35 g/t Silver over 28.22 meters (true width) at Tom West.
- On November 15, 2018 the Company announced the fifth set of drill results for 2018, including 4.56% Zinc, 17.34% Lead and 145 g/t Silver over 8.6 meters (true width) at End Zone.
- On November 27, 2018 the Company closed its acquisition of Nidd Property from Teck, consolidating control of the Macmillan Pass District and increasing claim holdings to 544 square kilometers. Under the agreement, Fireweed acquired 100% interest in Nidd's 372 claims for 1,500,000 shares, subject to a one year lock up. Teck retains a 1% net smelter return royalty and has a right of first offer to purchase future production concentrates from the Nidd Property.
- On November 29, 2018 the Company announced the sixth set of drill results for 2018, including 4.78% Zinc, 10.17% Lead and 87 g/t Silver over 11.08 meters (true width) at End Zone.

Subsequent to the year ended December 31, 2018, the following events have taken place:

- On February 15, 2019, the Company closed a non-brokered private placement. A total of 2,379,750 common shares, 1,820,728 flow-through common shares, and 1,255,000 flow-through common shares via a charity donation flow-through arrangement were sold at prices of \$0.80, \$0.95, \$1.10 respectively for aggregate gross proceeds of \$5,013,992.
- A total of 1,000 agents' warrants were exercised at \$0.50 for gross proceeds of \$500.

## MACMILLAN PASS PROJECT

The Macmillan Pass Project encompasses 544 km<sup>2</sup> of mineral claims located approximately 200 km northeast of the settlement of Ross River in the eastern Yukon Territory of Canada. It is host to the large Tom and Jason sediment-hosted exhalative sulphide (“Sedex”) zinc-lead-silver deposits. The Company has a fully operational camp near the Tom deposit which is accessible via the North Canol Road (designated Yukon Highway No. 6) from Ross River and via a local airstrip.

The deposits are located in the Selwyn Basin and hosted in Devonian-age Lower Earn Group sedimentary rocks. Sulphide-barite mineralization occurs in thick stratiform lenses and extends for as much as 1,200m along strike and 450m down dip. The main sulphide minerals are sphalerite and galena.

To date the Tom deposits have seen a total of 3,423 meters of underground development, 5,953 meters of underground core drilling in 84 holes, and 32,559 meters of surface core drilling in 149 holes; at Jason a total of 39,869 meters has been drilled in 136 holes from surface to date; and at End Zone a total of 3,910 meters has been drilled in 18 holes from surface to date. The Tom site has a Class 3 Land Use Permit and a Type B Water Licence. Environmental water monitoring of the Tom site has been ongoing since 2000. Community relations have been good, and the Company employs workers and contracts service providers from the nearest community of Ross River for the exploration program.

### *Terms of the Hudbay Option Agreement*

Fireweed signed the Hudbay Option Agreement for the Tom and Jason claims and associated assets on December 14, 2016 and exercised the option on February 2, 2018. All claims, permits, licences and assets have been transferred and registered in the name of Fireweed. The agreement contained the following terms and conditions which have now been completed:

Due Date	Cash	Common shares	Cumulative exploration expenditures
December 14, 2016	\$100,000 (paid)	-	-
Earlier of the Company’s IPO and exercise of the option	\$150,000 (paid)	-	-
December 14, 2017	-	-	\$250,000 (Completed)
Exercise of the option	\$750,000 (paid)	15% of diluted shares (issued) <sup>1</sup>	\$1,000,000 (Completed)

1. Issued 3,565,406 shares on February 2, 2018.

The Jason claims have an underlying 3% Net Smelter Royalty (“NSR”) which can be bought out at any time for \$5,250,000. There are no underlying royalties on the Tom claims.

### *Terms of the MAC Claims Option Agreement with Newmont/Maverix*

On July 24, 2017 Fireweed signed an option agreement with Newmont Canada Holdings ULC (“Newmont”) for the MAC claims. On June 29, 2018 Newmont sold the MAC claims option agreement to Maverix Metals Inc. (“Maverix”) in a larger transaction whereby Maverix purchased a number of royalties and other assets from Newmont. As such the new registered owner and optionor of the MAC claims is Maverix.

Per the option agreement, the Company can acquire a 100% interest in the MAC claims located on the northwest extension of the Company’s Tom and Jason claims, by paying \$450,000 in staged cash payments over four years, maintaining the MAC claims in good standing (normally minimum \$82,000 in work per year but currently zero due to a relief from assessment work order), and granting Maverix production royalties on the MAC claims as follows: 0.25% NSR on base metals, 1% NSR on silver and 3% NSR on gold.

The option payment terms are summarized as follows:

Due Date	Cash
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
<b>TOTAL</b>	<b>\$450,000</b>

Fireweed may prepay any of the option payments and/or prepay the entire purchase price at any time. See the Company's news release dated August 8, 2017 for details.

*Terms of the MC, MP and Jerry Claims Option Agreement with Constantine Metal Resources Ltd. and Carlin Gold Corporation*

These optioned claims extend Fireweed's Macmillan Pass Project land position to the north, east and northeast over additional prospective ground (see map in the Company's news release dated March 27, 2018) and allow the Company to acquire a 100% interest in the 624 MC, MP, and Jerry quartz claim tenures from joint venture partners Constantine Metals Resources Ltd. ("Constantine") and Carlin Gold Corporation ("Carlin").

The Company can exercise this option and acquire 100% interest in the claims by making payments totaling \$500,000 and issuing 300,000 Fireweed shares over three years to Constantine and Carlin as follows:

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	50,000
On or before May 9, 2020	\$150,000	100,000
On or before May 9, 2021	\$150,000	100,000
<b>TOTAL</b>	<b>\$500,000</b>	<b>300,000</b>

Half of these payments are to Constantine and half to Carlin. 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 MC, MP and Jerry claims. Constantine and Carlin will retain the right to receive a NSR on any future mine production from these claims as follows: 0.5% NSR on base metals and silver and 2% NSR on all other metals including gold. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims by Constantine and/or Carlin.

See the Company's news release dated March 27, 2018 for details.

*Terms of the NS and BR Claims Option Agreement with Golden Ridge Resources Ltd.*

The Golden Ridge option extends the Company's Macmillan Pass Project land position to the west and south over additional prospective ground (see map in the Company's news release dated March 27, 2018).

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

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

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 net smelter return royalties on any future mine production from the BR and NS claims as follows: 0.5% NSR on base metals and silver and 2% NSR on all other metals, including gold. There is also a third party 3% NSR on any future cobalt production from the BR and NS claims. The Company will have the right to purchase one-half of these NSR royalties (excluding the cobalt royalty) for \$2,000,000 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. See the Company’s news release dated March 27, 2018 for details.

*Terms of the Nidd Claims Purchase Agreement with Teck Metals Ltd. and Teck Mining Worldwide Holdings Ltd.*

The Nidd claims extend the Company’s Macmillan Pass Project land position to the northwest over additional prospective ground including the Boundary zinc zone (see map in the Company’s news release dated November 6, 2018).

On November 27, 2018 the Company closed the purchase agreement, acquiring a 100% interest in the 372 quartz claim tenures from Teck under the following terms:

- Purchase price of 1,500,000 Fireweed shares (one year lock up during which Teck cannot sell the shares).
- Teck to retain a 1% Net Smelter Return royalty on future production from the Nidd property.
- Teck to have a right of first offer to purchase from Fireweed future production concentrates from the Nidd Property.

See the Company’s news release dated November 27, 2018 for more details.

**2018 Work Program**

*New Mineral Resource Report*

Based on the 2017 drill results along with the historic core re-sampling results and compilation of historic data, the Company announced new NI43-101 compliant mineral resources on January 10, 2018 which were substantially larger than historically reported resources. The new base case resources were:

**Table 1: Base Case Mineral Resource Estimate** (at NSR cutoff grade of \$65 CAD)

Category	Tonnes (Mt)	ZnEq %	Zn %	Pb %	Ag g/t	B lbs Zn	B lbs Pb	MOz Ag
Indicated	11.21	9.61	6.59	2.48	21.33	1.63	0.61	7.69
Inferred	39.47	10.00	5.84	3.14	38.15	5.08	2.73	48.41

Details and supporting information are provided in the NI43-101 Technical Report posted on [www.sedar.com](http://www.sedar.com) and in the Company’s news release, both dated January 10, 2018.

*Preliminary Economic Assessment Report*

On May 23, 2018, the Company announced the positive results of an independent NI43-101-compliant Preliminary Economic Assessment (“PEA”) for the Tom and Jason deposits prepared by JDS Energy and Mining, Inc. (JDS) with work on tailings and water by Knight Piesold Consulting, both of Vancouver, Canada utilizing the 2018 mineral resources of Table 1.

Production and Economic Highlights:

- Long mine life and large-scale production:
  - 18-year mine life with 32.7Mt of mineralization mined at 4,900 tonne-per-day average processing rate.
  - 1.54Mt of Zinc, 0.88Mt of Lead, and 37Moz of Silver in concentrate shipped.
  - Average yearly contained-metal production of 85kt Zinc, 48kt Lead and 2Moz Silver.
- Robust economics using metals prices of \$1.21/lb Zn, \$0.98/lb Pb, and \$16.80/oz Ag:
  - Pre-Tax NPV at 8% of \$779M CAD and IRR of 32%.
  - After-Tax NPV at 8% of \$448M CAD and IRR of 24%.
- Manageable CAPEX and rapid payback:
  - Pre-production CAPEX of \$404M CAD.
  - Payback period of 4 years.
  - Starter-pits on Tom West and Jason Main zones reduce up-front capital.
- Significant Upside
  - Numerous opportunities for significant economic improvement.
  - Known zones remain open for expansion, including into high-grade areas.
  - Highly prospective and large land package with untested exploration targets.

Details and supporting information are provided in the NI43-101 compliant Technical Report dated July 6, 2018 (effective date May 23, 2018) posted on [www.sedar.com](http://www.sedar.com) and in the Company's news release dated May 23, 2018.

## 2018 Exploration

### 2018 Drilling

During the 2018 field season, the Company completed 5,498 metres of core drilling on the Macmillan Pass Zinc Project. Results were as follows:

#### TOM EAST ZONE DRILL RESULTS

Hole No.	From (metres)	To (metres)	Interval (metres)	Estimated True Width (metres)	Zinc (%)	Lead (%)	Silver (g/t)
TS18-004	312.15	328.56	16.41	5.0-12.3	21.14	13.55	242.8
Including:	319.00	327.70	8.70	2.6-6.5	23.88	19.42	332.9
Including:	319.00	322.00	3.00	1.0-2.3	35.66	18.49	312.7
Including:	326.15	327.70	1.55	0.5-1.2	15.67	35.65	542.1
TS18-010	296.00	306.32	10.32	10.16	8.11	6.31	82.0
Including:	302.00	306.32	4.32	4.25	16.57	11.43	151.0

#### TOM WEST ZONE DRILL RESULTS

Hole No.	From (metres)	To (metres)	Interval (metres)	Estimated True Width (metres)	Zinc (%)	Lead (%)	Silver (g/t)
TS18-001	No zone intersected. Intersected fault where zone was projected.						
TS18-002	562.25	577.60	15.35	12.57	4.33	0.14	1.3
TS18-003	180.90	181.70	0.80	0.56	39.00	20.06	319.0
TS18-005	167.32	188.00	20.68	12.73	12.61	16.40	221.0
TS18-006	No zone intersected. Intersected fault where zone was projected.						
TS18-007	26.41	28.95	2.54	2.24	8.96	2.23	10.2
TS18-008	208.00	257.58	49.58	29.14	9.65	8.21	80.0
TS18-009	Intersected fault where zone was projected.						
TS18-011	44.90	65.85	20.95	13.47	9.18	3.73	12.0
Including:	57.40	65.85	8.45	5.43	12.15	6.12	24.0
TS18-012	228.80	278.00	49.20	28.22	8.43	3.23	35.5
Including:	264.00	277.00	13.00	7.46	13.51	6.26	110.4
TS18-013	Exploration hole on geophysical target. No zone intersected.						
TS18-014	142.30	158.50	16.20	12.41	7.98	13.27	166.5
Including:	146.50	157.60	11.10	8.50	9.75	17.41	221.6
Including:	146.50	149.50	3.00	2.30	23.76	8.38	149.9
Including:	151.50	155.50	4.00	3.06	2.78	27.59	310.7

**END ZONE DRILL RESULTS**

Hole No.	From (metres)	To (metres)	Interval (metres)	Estimated True Width (metres)	Zinc (%)	Lead (%)	Silver (g/t)
EZ18-001	51.87	64.03	12.16	8.60	4.56	17.34	144.6
Including:	53.94	58.22	4.28	3.03	7.52	24.74	223.4
EZ18-002	49.07	64.74	15.67	11.08	4.78	10.17	87.0
Including:	52.23	62.77	10.54	7.58	5.47	12.53	106.6
Including:	56.10	62.77	6.67	4.88	4.40	14.98	123.0
EZ18-003	160.00	166.12	6.12	3.06	0.18	1.56	16.8
EZ18-004	45.00	53.92	8.92	6.83	1.98	11.24	78.3
Including:	45.84	49.80	3.96	3.03	4.19	15.61	114.7

One drill hole was attempted at Jason South in 2018 but no zone was intersected as the drill hole passed between two projected zones in a fault.

*2018 Field Work*

Field work in 2018 began with geophysical surveying and geochemical sampling orientation grids in the Tom, Jason and End Zone areas to optimize exploration methodologies. This test work demonstrated that geophysical ground gravity surveying complemented with passive seismic, and geochemical B/C horizon and soil gas hydrocarbon soil sampling, all guided by geological mapping and modern exploration concepts, are effective techniques to detect zinc-lead-silver mineralization in the district and efficiently focus targets for drilling. Over the balance of the field season, large gravity and soil sampling grids were completed complemented by geological mapping. Interpretation of the results of the mapping, geochemistry and geophysics work from the 2018 field season is ongoing toward identifying high priority areas for the 2019 exploration program.

In total, a crew of about 40 persons were in camp in 2018 carrying out the drilling and field work program. During the summer the camp was expanded from a 20-person camp to a 50-person camp with a new septic system, additional trailers and facilities, and a renewed permit valid until 2028 to allow for expanded drilling and exploration activities in the future.

*Future Plans*

Plans for an active 2019 exploration program will include drilling of further step out holes, drilling of new exploration targets defined in 2018 and field work toward development of additional exploration targets on the large property. Details of 2019 work plans will be announced when the interpretation of 2018 field work is completed and budgets are approved.

For more details on the Project and the Company, see Fireweed’s NI43-101 compliant technical reports and news releases posted on the Company’s website at [www.FireweedZinc.com](http://www.FireweedZinc.com) or at [www.sedar.com](http://www.sedar.com) .

*Leon McGarry, P.Geo., Senior Resource Geologist for CSA Global Canada Geosciences Ltd. is independent of Fireweed Zinc Ltd. and a ‘Qualified Person’ as defined under Canadian National Instrument 43-101. Mr. McGarry is responsible for the Mineral Resource Estimate and directly related information in this MD&A.*

*Michael Makarenko, P.Eng., Project Manager for JDS Energy and Mining, Inc., is independent of Fireweed Zinc Ltd. and a ‘Qualified Person’ as defined under Canadian National Instrument 43-101. Mr. Makarenko is responsible for the PEA results and directly related information in this MD&A.*

*George Gorzynski, P.Eng., Executive Vice President and Director of Fireweed Zinc Ltd., and a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for other technical information (information not directly related to the Mineral Resource Estimate or the PEA) in this MD&A.*

## FINANCING AND CORPORATE DEVELOPMENT

### SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the three recent fiscal years, ended December 31, 2018, 2017 and 2016, and should be read in conjunction with such financial statements, prepared in accordance with International Financial Reporting Standards (“IFRS”) and the related notes thereon:

Item	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 31, 2016
Revenues	\$ nil	\$ nil	\$ nil
Expenses	1,521,734	959,487	188,639
Net Loss	1,976,734	959,487	188,639
Net Loss per Share (based on fully diluted shares)	(0.07)	(0.07)	(0.06)
Current Assets	1,787,669	1,301,843	78,177
Exploration and Evaluation Assets	19,663,555	2,794,672	101,971
Total Assets	21,518,713	4,132,000	180,148
Current Liabilities	327,380	293,126	31,808
Working Capital	1,460,289	1,008,717	46,369
Shareholders’ Equity	\$ 20,479,900	\$ 3,829,825	\$ 148,340
Number of Shares Outstanding	31,696,776	17,756,370	5,700,000

### RESULTS OF OPERATIONS

As at December 31, 2018 exploration and evaluation assets totalled \$19,663,555 (December 31, 2017 - \$2,794,672) and details of the cost breakdown are contained in the schedule of exploration and evaluation assets in the notes (Note 4) to the financial statements.

#### For the three months ended December 31, 2018

During the three months ended December 31, 2018, the Company’s net loss was \$908,206 (2017 - \$488,798). The main contributors were investor relations expenses, consulting and management fees and deferred tax expense:

- Investor relations expenses increased by \$17,156 (2018 - \$109,929; 2017 - \$92,773) due to the increase in communication and marketing activities, which included additional conferences and extended marketing trips to Asia and Europe.
- Consulting and management fees increased by \$47,312 (2018 - \$102,916; 2017 - \$55,604) due to the increase in operating activities, which resulted in higher management and administration fees.
- Deferred tax expense of \$455,000 (2017 - \$Nil) was incurred due to the issuance of flow-through shares.

#### For the year ended December 31, 2018

During the year ended December 31, 2018, the Company’s net loss was \$1,976,734 (2017 - \$959,487). The main contributors were share-based compensation, investor relations and corporate development expenses, consulting and management fees and deferred tax expense:

- Share-based compensation increased by \$583,766 (2018 - \$876,760; 2017 - \$292,994) as result of the options that vested in 2018. These options comprise of tranches that were granted in 2017 and 2018.
- Investor relations and corporate development expenses were higher by \$541,071 (2018 - \$807,305; 2017 - \$266,234) in 2018 as the Company only became publicly-traded as of May 2017. In addition, the Company also increased its communication and marketing activities, which included additional conferences, extended marketing trips to Asia and Europe, and property site tours for analysts and investors.

- Consulting and management fees were higher by \$114,988 (2018 - \$275,867; 2017 – \$160,879) in 2018 as the Company only became publicly-traded as of May 2017. In addition, there were modest increases in management and administration fees in 2018.
- Deferred tax expense of \$455,000 (2017 - \$Nil) was incurred due to the issuance of flow-through shares.

### SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars.

	<b>Dec 31, 2018</b>	<b>Sept 30, 2018</b>	<b>June 30, 2018</b>	<b>Mar 31, 2018</b>	<b>Dec 31, 2017</b>	<b>Sept 30, 2017</b>	<b>Jun 30, 2017</b>	<b>Mar 31, 2017</b>
Loss before income taxes	(453,206)	(144,640)	(431,038)	(492,850)	(488,798)	(160,398)	(224,764)	(85,527)
Net loss	(908,206)	(144,640)	(431,038)	(492,850)	(488,798)	(160,398)	(224,764)	(85,527)
Basic and diluted earnings (loss) per share	(0.03)	(0.00)	(0.01)	(0.02)	(0.03)	(0.01)	(0.02)	(0.01)
Total assets	21,518,713	21,578,907	21,357,008	20,880,624	4,132,000	4,229,900	4,319,236	654,728
Shareholders' equity (deficiency)	20,479,900	19,898,169	19,808,174	19,692,403	3,829,825	4,107,339	4,267,737	627,813
Capital stock	22,242,738	20,823,071	20,825,078	20,615,578	4,592,913	4,674,623	4,674,623	915,500
Deficit	3,138,381	2,230,175	2,085,535	1,654,497	1,161,647	672,849	512,451	287,687

### LIQUIDITY AND CAPITAL RESOURCES

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and deficit.

The Company manages its capital structure and adjusts it in light of economic conditions and financial needs. Upon approval from its Board of Directors, the Company will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

#### **WORKING CAPITAL**

As at December 31, 2018, the Company had positive working capital of \$1,460,289 (December 31, 2017 - \$1,008,717). Working capital included Prepaid Expenses of \$161,631 (December 31, 2017 - \$81,888), comprised of advances for exploration work, engineering, geophysics and insurance.

#### **CASH**

On December 31, 2018, the Company had cash of \$1,575,784 (December 31, 2017 - \$1,179,634). Management of cash balances is conducted in-house based on internal investment guidelines. Cash is deposited with a major Canadian financial institution. Cash required for immediate operations is held in a chequing account. Excess funds may be invested in conservative money market instruments that bear interest and carry a low degree of risk. Some examples of instruments in which the Company may invest its cash are treasury bills, money market funds, bank guaranteed investment certificates and bankers' acceptance notes. The objective of these investments is to preserve funds for the use in and advancement of the Company's business.

***CASH USED IN OPERATING ACTIVITIES***

Net cash used in operating activities during the year ended December 31, 2018 was \$1,506,510 (2017 - \$651,431). Cash was mostly spent on technical work, consulting fees, investor relations and corporate development expenses, legal fees, and general and administrative costs.

***CASH USED IN INVESTING ACTIVITIES***

Total cash used in investing activities during the year ended December 31, 2018 was \$9,745,618 (2017 - \$2,577,861), related to exploration work, acquisition payments, reclamation bond, property reports (including the new mineral resource report and work on the PEA report) and related costs.

***CASH GENERATED BY FINANCING ACTIVITIES***

Total net cash generated by financing activities during the year ended December 31, 2018 was \$11,648,278 (2017 - \$4,336,712), which consisted of \$11,642,172 obtained through a private placement, net of share issue costs, and proceeds from the exercise of options (\$20,750) and agents' warrants (\$12,500), offset by the equipment lease purchase payment of \$27,144 (2017 - \$nil).

***FINANCE LEASE***

During the year ended December 31, 2018, the Company entered into a finance lease for exploration equipment. The gross amount of the minimum lease payments related to the asset under the finance lease was \$38,026. The lease bore interest at a rate of 3% per annum with the term of 24 months. However, the Company made a final payment to the lessor to complete the acquisition of the exploration equipment under the lease in the year ended December 31, 2018 and the lease payments ended.

***REQUIREMENT OF ADDITIONAL EQUITY FINANCING***

The Company has relied primarily on equity financings for all funds raised to date for its operations and will need more funds to explore and develop the Project in the future. Until it starts generating profitable operations from exploration, development and sale of minerals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions.

The Company is not subject to externally imposed capital requirements as at December 31, 2018.

***OUTSTANDING SHARE DATA***

The Company's authorized share capital consists of an unlimited number of common shares without par value.

At December 31, 2018, there were 31,696,776 shares issued and outstanding (December 31, 2017 - 17,756,370 shares), which were issued for an aggregate consideration of \$22,242,738, net of issuance costs and flow-through premium liability.

As of the date of this MD&A, the following shares, warrants and options were outstanding:

	<b>Number of Shares/Options/Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Issued and Outstanding Shares	<b>37,153,254</b>		
Agents' Warrants and Options	377,000	\$0.50	May 29, 2019
Agents' Warrants and Options	250,064	\$1.32	February 25, 2020
Agents' Warrants and Options	34,680	\$0.95	February 15, 2021
Stock Options	1,380,000	\$0.50	April 26, 2022
Stock Options	30,000	\$0.70	October 27, 2022
Stock Options	175,000	\$0.83	December 06, 2022
Stock Options	860,000	\$1.45	March 14, 2023
<b>Fully Diluted at April 23, 2019*</b>	<b>40,259,998</b>		

\* This number excludes 4,000,000 not yet issued performance shares (please refer to Note 16 in the financial statements for the period ended December 31, 2018 for more information).

## **CRITICAL ACCOUNTING ESTIMATES**

Our significant accounting policies are presented in Note 3 of the audited financial statements for the year ended December 31, 2018. Note 3 provides that the preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The 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.

### **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 payments

The Company measures share-based payments expense 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.

#### 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**

### Financial Instruments

As at January 1, 2018, the Company adopted IFRS 9, Financial Instruments. The effect of initially applying these standards did not have a material impact on the Company's financial statements.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial instruments. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

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

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

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

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

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

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

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

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

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

This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. However, most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at fair value through profit or loss are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at fair value through profit or loss are expensed as incurred.

**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 at December 31, 2018:

**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. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted. The Company is adopting the standard as of its effective date of January 1, 2019. The adoption of this standard will have no significant impact on the Company’s financial statements.

**IFRIC 23, Uncertainty over Income Tax Treatments:** New standard to clarify 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 interpretation is effective for annual periods beginning on January 1, 2019. The Company is currently assessing the impact of IFRIC 23 on its statements.

**RELATED PARTY TRANSACTIONS**

Related party transactions mainly include management and consulting fees, share-based compensation, director and committee fees. The related parties are 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 the 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:

<b>Related Party</b>	<b>Nature of Relationship</b>
FT Management Ltd.	Company, controlled by CFO
Pelly River Ventures Ltd.	Company, controlled by CEO

The remuneration to directors and key management personnel during the year ended December 31, 2018 and 2017 was as follows:

<b>Payee</b>	<b>Nature of the transaction</b>	<b>Year ended December 31, 2018</b>	<b>Year ended December 31, 2017</b>
Chief Executive Officer (CEO)	Management and consulting fees expensed	\$ 60,000	\$ -
	Share-based compensation	81,540	47,103
	Director and committee fees	6,000	-
Company, controlled by CEO	Management and consulting fees expensed	22,500	61,500
	Management and consulting fees capitalized to mineral property	43,000	46,000
	Investor relations and corporate development	44,500	-

**FIREWEED ZINC LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2018

Payee	Nature of the transaction	Year ended December 31, 2018	Year ended December 31, 2017
Former Chief Financial Officer (CFO)	Share-based compensation	5,378	7,851
Current Chief Financial Officer (CFO)	Management and consulting fees expensed	7,000	-
Company, controlled by CFO	Management and consulting fees expensed	5,500	-
	Investor relations and corporate development	2,000	-
	Rent	9,370	-
Directors	Director and committee fees	152,500	-
	Management and consulting fees expensed	111,992	30,629
	Management and consulting fees capitalized to mineral property	43,173	36,371
	Share-based compensation	320,782	180,562
	Property Investigation	-	1,225
		\$ 915,235	\$ 411,241

As at December 31, 2018, \$91,317 (December 31, 2017 - \$120,557) was owed to directors and key management. These payables are unsecured, non-interest bearing and were paid under normal trade terms subsequent to year end.

## 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 Goods and Services Tax ("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, 2018, the Company had a cash balance of \$1,575,784 to settle current liabilities of \$327,380. 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, 2018, the Company no longer has interest bearing cash balances and obligations (see Note 6 of the audited financial statements for the year ended December 31, 2018).

#### *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.

### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss contained in its financial statements for December 31, 2018, which are available on SEDAR: [www.sedar.com](http://www.sedar.com).

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

### **ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS**

The Company had its first quarter with positive cash flow since its inception following the completion of the IPO. We expect the remaining proceeds of the February 2018 private placement, included in our available cash on hand at December 31, 2018 and the funds raised in February 2019, will be sufficient to fund our operations for at least 12 months. All costs relating to the acquisition and exploration of the Project are capitalized and reported in the Statements of Financial Position in the Company's financial statements. For details see the Company's Prospectus posted on the Company's website [www.FireweedZinc.com](http://www.FireweedZinc.com) and the audited Financial Statements for the year ended December 31, 2018, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **APPROVAL**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the annual financial statements before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors has approved these audited financial statements for the year ended December 31, 2018 and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

### **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Except for historical information, this MD&A may contain forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements. The factors that could cause actual results to differ materially include, but are not limited to, the following: general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments; relations with First Nations; weather; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes

in regulatory requirements impacting the Company's operations; the ability to properly and efficiently staff the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration property or properties. Should any one or more risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein. This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements.

The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements are current only as of the date of this MD&A. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The Company does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found on its website at [www.FireweedZinc.com](http://www.FireweedZinc.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

On behalf of the Board of Directors,

*“Brandon Macdonald”*

Brandon Macdonald  
Chief Executive Officer  
April 23, 2019