

**FIREWEED ZINC LTD.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Three Months Ended March 31, 2022**

**NOTE TO READER**

This Management's Discussion and Analysis ("MD&A") is for the period ended March 31, 2022 of Fireweed Zinc Ltd. ("Fireweed" or the "Company") prepared as at May 24, 2022 and should be read in conjunction with the Company's interim consolidated financial statements for the period ended March 31, 2022 and 2021. 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 managed by an experienced and successful team of mining industry professionals. The Company is advancing its large 940 km<sup>2</sup> Macmillan Pass Project (the "MP Project" or the "MP Property") in Yukon, Canada, and subsequent to quarter end, acquired the Gayna River property in Northwest Territories, Canada. The Macmillan Pass property is host to the 100%-owned Tom and Jason zinc-lead-silver deposits with current mineral resources and a preliminary economic study ("PEA") as well as the Boundary Zone, Boundary Zone West, Tom North Zone and End Zone which have significant zinc-lead-silver mineralization drilled but not yet classified as mineral resources and a large area of early stage exploration ground. The 128 km<sup>2</sup> Gayna River property is host to extensive critical minerals mineralization including zinc, gallium and germanium as well as lead and silver, outlined by 28,000 metres of historic drilling and significant upside potential.

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 purchased 100% interest in the neighbouring Nidd claims from Teck Metals Ltd. ("Teck") and acquired 100% interest on large blocks of adjacent claims (Mac, MC, MP, Jerry, BR NS, Oro, Sol, Ben, NC and Stump) from several companies (see details below). These adjacent claims cover exploration targets in the district where previous work identified zinc, lead and silver prospects, and geochemical and geophysical anomalies in prospective host geology. With the acquisition of these claims, the Company has now consolidated all known large zinc-lead-silver prospects of the Macmillan Pass Zinc-Lead-Silver District along with large adjacent areas of high exploration potential allowing the district to be explored as a contiguous package for the first time.

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. Fireweed is traded on the TSX Venture stock exchange (the "Exchange") as a Tier 2 issuer under the symbol FWZ. On November 29, 2021, the Company commenced trading on the OTCQB<sup>®</sup> Venture Exchange in the USA under the symbol FWEDF. 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 projects 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 three months ended March 31, 2022, the Company reported the following:

- On January 12, 2022, the Company announced further assays from the 2021 drill program including 6.9% zinc, 5.0% lead and 48.7 g/t silver over 11.7 metres at the Tom East Zone.
- On March 10, 2022, the Company announced the final assays from the 2021 drill program including 14.0% zinc, 0.2% lead and 57 g/t silver over 3.05 metres within 4.9% zinc, 0.7% lead and 34 g/t silver over 21.6 metres at Boundary West Zone.
- On March 17, 2022, the Company announced a non-brokered \$9.68 million private placement. On April 4, 2022, the Company announced upsizing of the financing to \$12 million and on April 14, 2022 the Company announced upsizing again to \$13 million. On April 6, 2022, the Company announced closing of the first tranche of the financing consisting of 5,586,444 Common Shares at a price of CAD\$0.70 per share and 7,200,000 flow-through common shares at a price of CAD\$0.99 per share for total proceeds of \$11,038,511.

Subsequent to the quarter ended March 31, 2022, the following events have taken place:

- On April 6, 2022, the Company closed the first tranche of the previously announced non-brokered private placement. This tranche consisted of 5,586,444 Common Shares at a price of \$0.70 per share and 7,200,000 flow-through common shares at a price of \$0.99 per share for total proceeds of \$11,038,511.
- On May 10, 2022, the Company announced staking of the 128.75 km<sup>2</sup> Gayna River property located 180 kilometres north of the Macmillan Pass Project. The Gayna River property is host to extensive critical minerals mineralization including zinc, gallium and germanium as well as lead and silver, outlined by 28,000 metres of historic drilling and significant upside potential.

## **MACMILLAN PASS PROJECT**

The Macmillan Pass Project encompasses 940 km<sup>2</sup> of contiguous 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 shale-hosted zinc-lead-silver deposits as well as the Boundary Zone, Boundary Zone West, Tom North Zone and End Zone which have significant mineralization drilled but not yet classified as mineral resources. The MP Project also includes large blocks of 100%-owned adjacent claims (Mac, MC, MP, Jerry, BR, NS, Oro, Sol, Ben and Stump) which cover exploration targets in the district where previous and recent work identified zinc, lead and silver prospects, and geophysical and geochemical anomalies in prospective host geology. The Company has a 50-person camp near the Tom deposit which is accessible via the North Canol Road (designated Yukon Highway No. 6) from the community of Ross River and via a local airstrip.

The Tom and Jason deposits are located in the Selwyn Basin and hosted in Devonian-age Lower Earn Group sedimentary rocks. Zinc-lead-silver sulphide-barite mineralization typically occurs in thick stratiform lenses and extends for as much as 1,200 meters along strike and 450+ meters down dip. Boundary Zone is different and consists of veins, stockworks, disseminations and replacement sulphide mineralization as well as multiple horizons of stratiform mineralization in Devonian-age Lower Earn Group and Silurian-age Road River Group sedimentary rocks respectively. The main economic 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 33,705 meters of surface core drilling in 158 holes; at Jason a total of 38,617 meters has been drilled in 138 holes from surface to date; at Boundary a total of 10,248 meters has been drilled in 35 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 and Jason sites have a Class 4 Land Use Permit and the Tom site a Type B Water Licence. The rest of the MP Property has a Class 1 Land Use Permit which is renewed annually. Environmental water monitoring of the Tom site has been ongoing since 2000 (see *Environment* section below for additional

information). 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 (see *Community and First Nations* section below for additional information).

#### *Summary of MP Property Acquisitions*

The MP Property comprises multiple claim blocks that were acquired and consolidated over several years by Fireweed into the current large 940 km<sup>2</sup> Macmillan Pass property. Summaries of the underlying claim blocks/properties and royalties are described below.

Fireweed holds 100% interest in the 361 claims of the Tom and Jason property. The Jason claims have a third party underlying 3% net smelter return royalty ("NSR") which can be bought out at any time for \$5,250,000. There are no underlying royalties on the Tom claims.

Fireweed holds 100% interest in the 372 claims of the Nidd property which includes the Boundary Zone and Boundary West Zone. Teck retains a 1% NSR royalty and a right of first offer to purchase future production concentrates from the Nidd property.

Fireweed holds 100% interest in the 820 claims of the Mac property. Vendor Maverix Metals Inc. retains production royalties of 0.25% NSR on base metals and other non-precious minerals, 1% NSR on silver and other precious metals excluding gold, and 3% NSR on gold produced from the Mac property.

Fireweed holds 100% interest in the 333 MC, 74 MP and 217 Jerry claims. Vendors Epica Gold Inc. ("Epica") and Carlin Gold Corporation ("Carlin") together retain production royalties of 0.5% NSR on base metals and silver, and 2% NSR on all other metals including gold produced from the MC, MP and Jerry claims, and are entitled to one additional payment of \$750,000 or equivalent in Fireweed shares at the Company's option, upon receiving a resource calculation of at least 2 million tonnes of indicated (or better) resource on any part of the MC, MP or Jerry claims. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims by Epica and/or Carlin.

Fireweed holds 100% interest in the 326 BR claims and 333 NS claims. Vendor Golden Ridge Resources Ltd. retains production royalties of 0.5% NSR on base metals and silver, and 2% NSR on all other metals including gold produced from the BR and NS claims, and is entitled to one additional payment of \$750,000 or equivalent in Fireweed shares at the Company's option, upon receiving a resource calculation of at least 2 million tonnes of indicated (or better) resource on any part of the BR or NS claims. Fireweed will have the right to purchase one-half of these NSR royalties for \$2,000,000 at any time prior to the commencement of commercial production. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims by Golden Ridge. There is also a pre-existing third party 3% NSR royalty on any future cobalt production from the BR and NS claims.

Fireweed holds 100% interest in the 410 claims of the Sol property and several small nearby separate claim blocks (Ben, NC, Stump, Bach). Vendor QuestEx Gold & Copper Ltd. retains production royalties of 0.5% NSR on all base metals and silver, and 2% NSR on all other metals including gold, which may be mined from these properties. There is an additional third-party royalty consisting of a 2% NSR on production from the Sol, Stump and Bach claims of which 1% may be extinguished for \$2,000,000.

*Terms of the Oro Property Option Agreement*

During the quarter on January 13, 2022, the Company exercised its option with private companies Cathro Resources Corp. (“Cathro”) and Cazador Resources Ltd. (“Cazador”), and acquired 100% interest in the 1,582 claim Oro property covering 318km<sup>2</sup> on the western extension of the Macmillan Pass District. Payment terms to exercise the option were as follows:

Due Date	Cash	Common Shares
Within 5 days of TSX Venture Exchange approval of the option agreement (January 18, 2021)	\$250,000 (paid)	500,000 (issued)
On or before January 13, 2022	\$250,000 (paid)	500,000 (issued)
<b>TOTAL</b>	<b>\$500,000</b>	<b>1,000,000</b>

Cathro and Cazador together retain a 0.5% NSR production royalty on all base metals and silver, and 2% NSR on all other metals including gold, which may be mined from the Oro property.

Titles to all these claims have been transferred and registered to the Company.

**Mineral Resources and PEA**

*Tom-Jason 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 updated NI43-101 mineral resources for the Tom and Jason deposits on January 10, 2018 which were substantially larger than historically reported resources. The updated base case resources were as follows:

**Table 1: Base Case Tom+Jason Mineral Resource Estimates** (at NSR cutoff grade of \$65)

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. Additional mineralization subsequently drilled at Boundary Zone, Boundary West Zone, Tom North Zone and End Zone as well as step out drill holes at Tom and Jason will be considered in a future updated mineral resource estimate for the MP Property.

*Tom-Jason Preliminary Economic Assessment Report*

On May 23, 2018, the Company announced the positive results of an independent NI43-101 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 \$779,000,000 and IRR of 32%.
  - After-Tax NPV at 8% of \$448,000,000 and IRR of 24%.
- Manageable CAPEX and rapid payback:
  - Pre-production CAPEX of \$404,000,000. CAPEX includes a total of \$100,000,000 for upgrading to a production-suitable access road to the MP Project. On March 3, 2020 the Company announced that the Yukon Government and the Ross River Dena Council First Nation had reached an Agreement in Principle on \$71,000,000 in road upgrades which, in part, included upgrading of the MP Project access road.
  - 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.
  - Not included in this PEA study are the Boundary Zone, Boundary West Zone, Tom North Zone and End Zone as well as new step out holes at Tom and Jason which have significant zinc-lead-silver mineralization drilled after the PEA study was completed, but not yet classified as mineral resources.

Details and supporting information are provided in the NI43-101 PEA 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.

#### **Exploration Program**

In 2021, the Company drilled more wide intersections of zinc and lead mineralization at Boundary Zone, Boundary West Zone and Tom East Zone. A total of 3,845 m of diamond drilling in 11 holes using two drill rigs was completed. Assays from these holes are in Company news releases. In addition, 91 line kilometers of ground gravity geophysical surveying and 1,305 line kilometers of airborne VTEM-magnetics geophysical surveying was completed as well as geological mapping, prospecting and geochemical surveys. Results of these surveys will be used to guide future exploration work and target drilling on the MP Property. A muon downhole geophysics survey was attempted but crews were unable to deploy the muon detectors down the designated drill holes. Another attempt to deploy the muon detectors is planned for the 2022 field season. Interpretation of results from the 2021 exploration work has been completed.

Planning and preparations for the 2022 exploration program are well advanced with drill contracts signed and other main service providers committed. Details will be announced in due course.

#### **GAYNA RIVER PROPERTY**

Subsequent to quarter end, the Company acquired the Gayna River property through staking. The 128.75 km<sup>2</sup> Gayna River property is located 180 kilometres north of the Macmillan Pass Project in the Northwest Territories, Canada, and is host to extensive critical minerals mineralization including zinc, gallium and germanium as well as lead and silver, outlined by 28,000 metres of historic drilling and significant upside potential. Exploration plans for Gayna River will be announced in due course.

For more details on the Company and its projects, see Fireweed's NI43-101 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. at the time, 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, approved the other technical information (information not directly related to the Mineral Resource Estimate or the PEA) in this MD&A.*

## **HEALTH AND SAFETY**

The Company embeds core values of health and safety throughout its operations. The health and safety of the Company's workers and local communities are, and will always be, a top priority, and the Company will continue to take necessary steps and actions to ensure their well-being.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. Recently governments have reduced COVID-19 restrictions but the Company plans to continue its COVID-19 monitoring and protocols to guard against any outbreaks on the project sites. Should there be an outbreak of COVID-19 on site, the Company's operations and/or timelines could be impacted in a number of ways including, but not limited to, a reduction or shut down of activity at Macmillan Pass; disruptions to supply chains and services; worker absenteeism due to illness; and disruption to the progress of technical work, permit approvals, First Nations agreements, and financing. These possible impacts could result from government directives, the need to modify work practices to meet appropriate health and safety standards, and other COVID-19 related impacts on the operations, availability of labour or to the supply chain.

Our normal high health and safety protocols that have allowed the Company to maintain a safe workplace in years past, continue to apply. Every person arriving at our work site is first taken through a health and safety orientation before any other activity is begun. Every morning begins with a self monitoring COVID-19 Health Monitoring Decision Tree before leaving personal accommodations, followed by safety "toolbox" meetings and weekly safety meetings which are attended by everyone in camp to re-enforce a safety-first mindset. We emphasize that safety is the responsibility of everyone on site. We have highly trained first aid personnel in camp with a dedicated and well equipped first aid facility, and protocols for timely medical evacuations by air to a hospital if required.

The Company works to identify and mitigate potential health and safety risks at all work sites. Our excellent safety record over years of operations is the result of prioritizing and instilling a culture of safety first in every person at our work site and constantly seeking to improve our health and safety protocols and procedures.

## **ENVIRONMENT**

Fireweed is committed to carrying out its work programs to high standards of environmental stewardship. We aim to prevent or mitigate as much as reasonably possible, the impacts of our operations on the environment through effective and scientifically sound operating practices while at all times complying with applicable environmental legislation.

Environmental studies and monitoring by Hudbay toward eventual development of a mining operation began at the Tom site in 2000 and were expanded in 2008. These include 12 surface water monitoring stations in the local streams, three ground water monitoring wells and a weather station. The Tom and Jason sites have a Class 4 Land Use Permit, the Tom site a Type B Water Licence, and the rest of the MP Property has a Class 1 Land Use Permit. Most of the historic surface and other disturbances from previous work have been reclaimed.

## COMMUNITY AND FIRST NATIONS

The Company believes in engaging with local communities and First Nations toward building respectful relationships through dialogue and collaborative processes.

The MP Property lies within an area of unsettled territorial claim by the Kaska First Nations and within the Yukon First Nations Umbrella Agreement traditional territory of the First Nation of Na-Cho Nyäk Dun. Treaty negotiations between the First Nations, and the federal and territorial governments are continuing but have not affected the Company's ability to carry out work on the MP Project. The recently staked Gayna River property is located within the Sahtu Settlement Area, the Gwich'in Settlement Area, and the asserted territory of the First Nation of Na-Cho Nyäk Dun. The Company has been engaging or, in the case of Gayna River, is opening dialogues with all these First Nations.

The nearest community to the MP Project site is the Kaska First Nations community of Ross River (population 350) located 200 kilometers to the west. There are no permanent settlements at or near the project sites but there are a small number of seasonal temporary use hunter and trapper cabins in the MP Project area, none of which are in the immediate vicinity of the known zones of zinc-lead-silver mineralization. The Company practices preferential hiring of local First Nations-based businesses and personnel whenever practical, for work on its projects. Brandon Macdonald, Fireweed's CEO, hails from Ross River where he grew up as a child and is known in the community. On March 3, 2020, the Company announced that the Yukon Government and the Ross River Dena Council (Kaska) First Nation had reached an Agreement in Principle on \$71,000,000 in road upgrades which, in part, included the MP Project access road.

## FINANCING AND CORPORATE DEVELOPMENT

### SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the three recent fiscal years, ended December 31, 2021, 2020 and 2019, 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, 2021	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2019
Revenues	\$ nil	\$ nil	\$ nil
Expenses	9,685,621	6,414,637	5,930,691
Net Loss	8,922,174	5,640,598	5,263,403
Net Loss per Share	(0.14)	(0.12)	(0.15)
Current Assets	8,734,420	2,607,837	965,106
Exploration and Evaluation Assets	12,088,437	11,458,395	8,942,213
Total Assets	21,031,418	14,219,765	9,968,957
Current Liabilities	870,230	229,863	288,800
Working Capital	7,864,190	2,377,974	676,306
Shareholders' Equity	\$ 18,745,199	\$ 13,713,330	\$ 9,419,134
Number of Shares Outstanding	74,897,032	56,057,112	37,797,129

## RESULTS OF OPERATIONS

As at March 31, 2022, total assets were \$20,124,888 (December 31, 2021 - \$21,031,418), exploration and evaluation assets totalled \$12,643,437 (December 31, 2021 - \$12,088,437). The details of the cost breakdown are contained in the schedule of Exploration and Evaluation Assets in the notes to the financial statements for the period ended March 31, 2022 (Note 4).

For the three months ended March 31, 2022 and 2021

The Company had a net loss of \$962,723 for the three months ended March 31, 2022 (“Q1-2022”) (\$0.01 per share) as compared to the three months ended March 31, 2021 (“Q1-2021”) of \$1,077,290 (\$0.02 per share).

Exploration and evaluation expenditures decreased by \$257,171 in comparison to Q1-2021 which had higher assay costs (due to late, post year end, receipt of some 2020 drill assay results) as well as additional geological consulting and permitting costs.

Consulting and management fees increased by \$103,132 due to more consulting work performed and the strengthening of the management team including the hiring of Planning and Controls Manager and VP Sustainability in comparison to Q1-2021, when the consultants and management team was smaller.

Investor relations expense increased by \$33,206 in comparison to Q1-2021 as the Company undertook more marketing, branding, and other promotional activities during the quarter and as a result of hiring of the new Communications Manager.

Shared-based compensation increased by \$42,427 as there were more stock options granted throughout 2021 and vested in 2022.

**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>March 31, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>September 30, 2020</b>	<b>June 30, 2020</b>
Operating expenses	(1,035,696)	(1,544,188)	(4,746,460)	(2,317,739)	(1,077,234)	(2,375,684)	(2,896,329)	(555,870)
Net income (loss)	(962,723)	(1,480,086)	(4,052,547)	(2,312,251)	(1,077,290)	(2,044,408)	(2,456,095)	(555,128)
Basic and diluted earnings (loss) per share	(0.01)	(0.02)	(0.06)	(0.04)	(0.02)	(0.04)	(0.05)	(0.01)
Total assets	20,124,888	21,031,418	16,938,476	18,368,153	13,923,596	14,219,765	17,371,206	10,150,240
Shareholders' equity (deficiency)	18,192,724	18,745,199	15,984,921	16,818,853	13,415,023	13,713,330	15,246,620	9,656,674
Capital stock	50,333,511	50,028,511	45,971,361	42,128,558	37,212,507	36,486,333	36,062,909	28,163,172
Deficit	34,652,509	33,689,786	32,209,700	28,157,153	25,844,902	24,767,612	22,723,204	20,267,109

**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.

Fireweed manages and adjusts its capital structure in light of economic conditions and financial needs. The Company, upon approval from its Board of Directors, 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 March 31, 2022, the Company had positive working capital of \$6,701,974 (December 31, 2021 - \$7,864,190). Working capital included Prepaid Expenses of \$262,385 (December 31, 2021 - \$213,744), comprised mainly of advances for advertising and promotion, software licenses, exploration work and insurance.



## **CASH**

On March 31, 2022, the Company had cash of \$6,964,663 (December 31, 2021 - \$8,179,833). 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 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 we 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 period ended March 31, 2022 was \$965,170 (2021 – \$809,599). Cash was mostly spent on exploration work, consulting fees, investor relations expenses, professional fees, and general and administrative costs.

### **CASH USED IN INVESTING ACTIVITIES**

Total cash used in investing activities during the period ended March 31, 2022 was \$250,000 (2021 – \$1,930), which was related to MP Property option payments.

### **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 its projects 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 March 31, 2022.

### **OUTSTANDING SHARE DATA**

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

As at March 31, 2022, there were 75,397,032 shares issued and outstanding (74,897,032 at December 31, 2021), which were issued for an aggregate consideration of \$50,333,511, 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>88,723,476</b>		
Share Purchase Warrants	3,622,003	\$0.60	April 14, 2024
Share Purchase Warrants	2,156,087	\$0.80	August 06, 2022
Finders' Warrants	28,302	\$0.80	August 06, 2022
Share Purchase Warrants	1,638,647	\$0.95	September 04, 2022
Finders' Warrants	56,669	\$0.90	July 06, 2023
Finders' Warrants	129,630	\$0.70	December 08, 2022
Finders' Warrants	117,000	\$0.70	April 6, 2023
Stock Options	640,000	\$0.50	April 26, 2022
Stock Options	30,000	\$0.70	October 27, 2022
Stock Options	120,000	\$0.83	December 06, 2022
Stock Options	810,000	\$1.45	March 14, 2023
Stock Options	250,000	\$0.65	July 11, 2024
Stock Options	802,000	\$0.59	June 10, 2025

	<b>Number of Shares/Options/Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Stock Options	160,000	\$0.71	August 25, 2025
Stock Options	120,000	\$0.99	September 18, 2025
Stock Options	1,345,000	\$0.80	July 7, 2026
Stock Options	75,000	\$0.83	November 1, 2026
<b>Fully Diluted at May 24, 2022*</b>	<b>100,823,814</b>		

\* This number excludes 3,700,000 not yet issued performance shares (please refer to Notes 16 in the financial statements for the year ended December 31, 2021 for more information).

## **CRITICAL ACCOUNTING ESTIMATES**

Our significant accounting policies are presented in Note 3 of the audited consolidated financial statements for the year ended December 31, 2021. 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. 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.

## **KEY SOURCES OF ESTIMATION UNCERTAINTY**

### Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. 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 mineral properties 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 to 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.

### Rehabilitation provision

The calculation of the asset retirement obligation involves significant measurement estimates and assumptions of the amount and timing of reclamation costs and applicable inputs used in the calculation, such as discount rates. The Company bases its estimates on historical experience, government regulations and assumptions that are believed to be reasonable given the scope of the exploration projects. Refer to Note 9 for more details.

### 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.

## **FINANCIAL INSTRUMENTS**

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 instruments:

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

Financial 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.

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;  
and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, reclamation bond and accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's other financial instruments, cash, under the fair value hierarchy are based on level 1 quoted prices in active markets for identical assets and liabilities.

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

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. Receivables of \$56,251 consist of Goods and Services Tax ("GST") recoverable from the Federal Government of Canada. The Company believes its exposure to credit risk is equal to the carrying value of this balance. The Company has exposure to credit risk with respect to its cash as it places most of its cash in one financial institution in Canada. The Company believes its exposure is limited as it banks with a large Canadian institution.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2022, the Company had a cash balance of \$6,964,663 to settle current liabilities of \$581,325. The Company believes it has sufficient funds to meet its current liabilities as they become due.

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

#### *Interest rate risk*

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2022, the Company is not exposed to significant interest rate risk.

#### *Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general

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

*Foreign currency risk*

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

**RELATED PARTIES TRANSACTIONS**

Related party transactions mainly include management and consulting fees, share-based compensation and 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.

The remuneration to directors and key management personnel during the period ended March 31, 2022 and 2021 was as follows:

Payee	Nature of the transaction	Period ended March 31, 2022	Period ended March 31, 2021
Chief Executive Officer (CEO)	Management and consulting fees expensed	\$ 56,250	\$ 56,250
	Share-based compensation	11,999	5,074
Chief Financial Officer (CFO)	Management and consulting fees expensed	50,369	3,375
	Share-based compensation	2,210	273
Directors	Director and committee fees	30,750	30,750
	Investor relations and corporate development	3,807	1,667
	Management and consulting fees expensed	31,439	40,384
	Management and consulting fees related to exploration and evaluation*	6,477	2,829
	Share-based compensation	33,790	27,229
		<b>\$ 227,091</b>	<b>\$ 167,831</b>

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

		March 31, 2022	December 31, 2021
Key management	Management fees and expense recoveries	121,188	196,019
		<b>\$ 121,188</b>	<b>\$ 196,019</b>

**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 March 31, 2022, 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 has had positive cash flow since its inception following the completion of the IPO. Following the recent private placements completed on July 2, December 6, 2020 and April 2022, the Company believes its current capital resources to be sufficient to cover its operating costs for the next 12 months. Fireweed will need to obtain additional capital resources to fund operations further. The Company is planning to raise capital through equity or alternative financing. Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic conditions.

All costs relating to the acquisition of its projects are capitalized and reported in the Statements of Financial Position in the Company's financial statements. All costs related to the exploration and evaluation are reported in the Company's Statement of Loss and Comprehensive Loss with a breakdown of categories provided in Note 4 of the audited financial statements for the period ended March 31, 2022 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 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 the condensed consolidated interim financial statements for the period ended March 31, 2022 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 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; political conditions and developments; pandemics, 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  
May 24, 2022