FIREWEED ZINC LTD.

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian Dollars)

Financial Statements

September 30, 2018

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Notice of non-review of condensed interim financial statements

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators, notice is given that the attached condensed interim financial statements for the nine-month period ended September 30, 2018 have not been reviewed by the Company's auditors.

FIREWEED ZINC LTD.

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

	Note	September 30, 2018	December 31, 2017
Assets			
Current assets:			
Cash		$ 3,659,723	$ 1,179,634
Receivables	14	239,537	40,321
Prepaid expenses		245,729	81,888
		4,144,989	1,301,843
Equipment	5	29,791	35,485
Reclamation bond		39,596	-
Exploration and evaluation assets	4	17,364,531	2,794,672
		$ 21,578,907	4,132,000
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	7,11	$ 1,467,587	$ 275,415
Lease liability	6	-	17,711
		1,467,587	293,126
Long-term lease liability	6	-	9,049
Rehabilitation provisions	9	213,151	-
		1,680,738	302,175
Shareholders' equity:			
Capital stock	10	20,823,071	4,592,913
Share-based compensation	10	1,031,632	292,994
Warrants reserve	10	273,641	105,565
Deficit		(2,230,175)	(1,161,647)
		19,898,169	3,829,825
		$ 21,578,907	$ 4,132,000

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

On behalf of the Board:

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

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

FIREWEED ZINC LTD.

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

		Three months ended		Nine months ended	
	Note	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Expenses					
Consulting fees	11	$ 77,792	$ 39,550	$ 172,951	$ 105,275
Depreciation	5	1,898	1,261	5,694	1,801
Director and committee fees	11	36,750	-	121,750	-
Finance expense	6	-	-	636	-
Investor relations		125,324	72,710	697,376	173,461
Insurance expense		3,412	4,333	10,588	4,333
Office expenses		31,379	2,751	48,034	10,526
Payroll expense		(4,826)	-	-	-
Professional fees		21,970	23,164	66,675	88,635
Property investigation		-	4,225	5,100	4,225
Rent		13,555	5,850	36,960	17,550
Share-based compensation	10	236,642	-	738,638	-
Transfer agent & filing fees		3,215	11,610	31,009	67,509
Travel		13,365	2,840	40,943	5,813
Operating loss for the period		$ (560,476)	$ (168,294)	$ (1,976,354)	$ (479,128)
Other income (expenses)					
Amortization of flow-through liability	8	$ 383,780	$ -	$ 812,232	$ -
Interest income		31,863	7,896	96,706	8,439
Foreign exchange		193	-	(1,111)	-
Comprehensive loss for the period		**(144,640)**	**(160,398)**	**(1,068,528)**	**(470,689)**
Loss per share – basic and diluted		$ (0.00)	$ (0.01)	$ (0.04)	$ (0.04)
Weighted average number of common shares outstanding – basic and diluted		30,196,776	17,756,370	27,873,027	12,912,197

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

FIREWEED ZINC LTD.
Condensed Interim Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Note	Nine months ended September 30, 2018	Nine months ended September 30, 2017
OPERATING ACTIVITIES			
Loss for the period		$ (1,068,528)	$ (470,689)
Adjustment for items not affecting cash:			
Amortization of flow-through liability	8	(812,232)	-
Depreciation	5	5,694	1,801
Finance expense	6	636	-
Share-based compensation	10	738,638	-
Change in non-cash working capital items:			
Receivables	14	(199,216)	(104,920)
Prepaid expenses		(163,841)	(631,424)
Accounts payable and accrued liabilities	7	1,192,172	40,216
		(306,677)	(1,165,016)
INVESTING ACTIVITIES			
Equipment		-	(10,801)
Reclamation bond		(39,596)	-
Exploration and evaluation assets	4	(8,631,099)	(1,843,987)
		(8,670,695)	(1,854,788)
FINANCING ACTIVITIES			
Capital stock	10	12,327,750	4,429,688
Share issue costs		(863,643)	-
Lease liability	6	(27,396)	-
Proceeds from options exercised		20,750	-
		11,457,461	4,429,688
Increase in cash		2,480,089	1,409,884
Cash, beginning of the period		1,179,634	72,214
Cash, end of the period		$ 3,659,723	$ 1,482,098

Supplemental disclosures with respect to cash flows:

Non-Cash Activities:	Note	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Exploration and evaluation expenditures included in accounts payable		$ -	$ 50,711
Fair value of finders' warrants		174,625	-
Fair value of shares issued for property		5,536,859	-
Reallocation of reserves for broker's warrants exercised		6,549	-
Rehabilitation provisions	9	$ 213,151	$ -

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

FIREWEED ZINC LTD.

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

		Capital Stock						
	Note	Shares	Amount	Warrants reserve	Options reserve	Subscriptions received in advance	Deficit	Total
Balance at December 31, 2016		**5,700,000**	**$ 270,500**	**$ -**	**$ -**	**$ 80,000**	**$ (202,160)**	**$ 148,340**
Seed financings	8	3,720,000	645,000	-	-	(80,000)	-	565,000
Initial public offering		8,336,370	3,759,123	105,565	-	-	-	3,864,688
Loss for the period		-	-	-	-	-	(470,689)	(470,689)
Balance at September 30, 2017		**17,756,370**	**$ 4,674,623**	**$ 105,565**	**$ -**	**$ -**	**$ (672,849)**	**$ 4,107,339**

	Note	Shares	Amount	Warrants reserve	Options reserve	Subscriptions received in advance	Deficit	Total
Balance at December 31, 2017		**17,756,370**	**$ 4,592,913**	**$ 105,565**	**$ 292,994**	**$ -**	**$ (1,161,647)**	**$ 3,829,825**
Shares issued for resource property	4,8	3,690,406	5,536,859	-	-	-	-	5,536,859
Shares issued in private placement	8	5,700,000	7,524,000	-	-	-	-	7,524,000
Flow-through shares issued in private placement	8	3,000,000	3,960,000	-	-	-	-	3,960,000
Share issue costs	8	-	(830,500)	174,625	-	-	-	(655,875)
Share-based compensation	8	-	-	-	738,638	-	-	738,638
Options exercised	8	25,000	20,750	-	-	-	-	20,750
Warrants exercised	8	25,000	19,049	(6,549)	-	-	-	12,500
Loss for the period		-	-	-	-	-	(1,068,528)	(1,068,528)
Balance at September 30, 2018		**30,196,776**	**$ 20,823,071**	**$ 273,641**	**$ 1,031,632**	**$ -**	**$ (2,230,175)**	**$ 19,898,169**

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

1. Nature and Continuance of Operations

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

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

The Company's ability to continue operations is not assured and is dependent upon the ability of the Company to obtain necessary financing to meet its liabilities and commitments as they become due and the ability to generate future profitable production or operations or obtain sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. The interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As at September 30, 2018, management estimates that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

The financial statements for the nine months ended September 30, 2018 have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on November 22, 2018.

2. Basis of Presentation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - Interim Financial Reporting. In addition, these interim financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at September 30, 2018 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2017. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2018.

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

3. Significant Accounting Policies

New and revised standards and interpretations

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

3. Significant Accounting Policies (continued)

New and revised standards and interpretations (continued)

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

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

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

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

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

Fair value through profit or loss (“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.

3. Significant Accounting Policies (continued)

New and revised standards and interpretations (continued)

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

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

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

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

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

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

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

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

Macmillan Pass Project (Yukon, Canada)	Note		Nine Months Ended September 30, 2018		Fiscal Year Ended December 31, 2017
Acquisition costs:					
Opening balance		$	324,691	$	100,000
Additions during the period:					
Cash payments			1,012,317		224,691
Shares issued	4,10		5,536,859		-
Total acquisition costs			**6,549,176**		**324,691**
Exploration costs:					
Opening balance			2,469,981		1,971
Additions during the period:					
Assaying			127,727		73,018
Camp			1,788,960		538,060
Drilling			2,152,799		691,370
Engineering (Geophysics)			844,214		125,844
Geological Consulting	11		2,207,476		756,080
Legal Fees			16,673		5,228
Other			67,231		162,747
Permitting			17,751		973
Rehabilitation provisions	9		213,151		-
Reporting			87,285		54,522
Travel & Support			529,538		60,168
Total exploration costs			**8,052,807**		**2,469,981**
Ending balance		**$**	**17,364,531**	**$**	**2,794,672**

Tom Jason, Yukon, Canada

Option Agreement with Hudbay

On December 14, 2016, the Company entered into a two year option agreement with Hudbay Minerals Inc. ("Hudbay") whereby the Company could acquire a 100% interest in the Tom Jason zinc-lead-silver property.

During the period ended September 30, 2018, the Company incurred the required exploration expenditures under the option agreement and, accordingly, exercised its option and paid the cash and issued the required shares to acquire a 100% interest in the Tom Jason property (Note 10).

These payments and shares issued are summarized as follows:

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

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

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

Option Agreement with Newmont/Maverix

On July 24, 2017, the Company entered into an option agreement with Newmont Canada Holdings, ULC (“Newmont”), whereby the Company can acquire a 100% interest in the MAC claims located on the northwest extension of the Company’s Tom Jason claims by paying $450,000 in staged cash payments over four years (see summary of payments in the schedule below), maintaining the MAC claims in good standing (minimum cost of $82,000 per year), and granting Newmont a 0.25% Net Smelter Returns royalty (“NSR”) on base metals, 1% NSR, on silver and 3% NSR on gold. Newmont will also have an exclusive but limited 30 days right of first offer on any future proposed sale, transfer or disposition by the Company of its interest in the MAC claims. The MAC claims are considered part of the MacMillan Pass project cash generating unit. On June 29, 2018 Newmont sold the MAC claims option agreement to Maverix Metals Inc. (“Maverix”) of Vancouver as part of a larger transaction and as such the new registered owner and optionor of the MAC claims is Maverix.

Option Payment Summary to Newmont/Maverix:

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

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

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

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

Due Date	Cash	Common shares
Exchange approval of the option agreement (May 9, 2018)	$75,000 (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
TOTAL	**$500,000**	**300,000**

The definitive agreement with Constantine-Carlin was signed during April 2018.

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

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

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

Option Agreement with Golden Ridge Resources Ltd.

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

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

Due Date	Cash	Common shares
Exchange approval of the option agreement (May 9, 2018)	$75,000 (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
TOTAL	**$500,000**	**450,000**

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

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

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

The definitive agreement with Golden Ridge was signed during April 2018.

(Unaudited - Expressed in Canadian Dollars)

5. Equipment

	Exploration Equipment	Computer Hardware	Total
Cost			
As at December 31, 2016	$ -	$ -	$ -
Additions	38,026	3,603	41,629
Balance as at December 31, 2017	38,026	3,603	41,629
Additions (Disposals)	-	-	-
Balance as at September 30, 2018	**38,026**	**3,603**	**41,629**
Accumulated Depreciation			
As at December 31, 2016	-	-	-
Charge for the period	(4,523)	(1,621)	(6,144)
As at December 31, 2017	(4,523)	(1,621)	(6,144)
Charge for the period	(5,025)	(669)	(5,694)
Balance as at September 30, 2018	**(9,548)**	**(2,290)**	**(11,838)**
Net book value			
As at December 31, 2017	$ 33,503	$ 1,982	$ 35,485
As at September 30, 2018	**$ 28,478**	**$ 1,313**	**$ 29,791**

6. Finance Lease Obligation

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

In April 2018, the Company purchased the leased equipment by paying out the balance of the lease obligation.

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

	September 30, 2018	December 31, 2017
2018	$ -	$ 18,282
2019	-	9,128
Total minimum lease payments	-	27,410
Less interest at the implicit rate	-	(650)
Balance of the obligation	-	26,760
Less current portion of finance lease obligation	-	(17,711)
Long-term portion of finance lease obligation	**$ -**	**$ 9,049**

Continuity of finance lease obligation:

Balance of obligation, December 31, 2016	**$ -**
Additions:	38,026
Finance expense	(497)
Principal payments	(10,769)
Balance of obligation, December 31, 2017	**$ 26,760**
Finance expense	636
Principal payments	(27,396)
Balance of obligation, September 30, 2018	**$ -**

(Unaudited - Expressed in Canadian Dollars)

7. Accounts Payable and Accrued Liabilities

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

	Note		September 30, 2018		December 31, 2017
Payable to related parties	11	$	56,012	$	120,557
Payable to vendors			1,411,575		154,858
Total Accounts Payable and Accrued Liabilities		**$**	**1,467,587**	**$**	**275,415**

8. Flow-through Liability

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

Balance at December 31, 2017 and 2016	**$**	**-**
Liability incurred on flow through shares issued		1,020,000
Flow-through issuance costs		(207,768)
Settlement of flow through share liability on incurred expenditures, net of expensed flow-through share issue costs		(1,227,768)
Balance at September 30, 2018	**$**	**-**

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

During the period ended September 30, 2018, the Company incurred eligible flow-through expenditures in excess of the $4,980,000 flow-through funds raised. Therefore, 100% of the flow-through premium liability ($1,020,000) and 100% of the flow-through related share issuance costs ($207,768) were amortized to *Other income* on the statement of Operations and Comprehensive Loss.

9. Rehabilitation Provisions

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

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

The total amount of estimated undiscounted cash flow required to settle the Company's estimated obligation as at September 30, 2018 is $195,000 (December 31, 2017 - $Nil). The calculation of present value of estimated future cash flows assumed a discount rate of 1.79% and an inflation rate of 2.70%. For the purposes of this calculation, the liabilities are assumed to be settled at various dates during 2028.

		September 30, 2018		December 31, 2017
Balance, beginning of period	**$**	**-**	**$**	**-**
Change in estimates		213,151		-
Balance, end of period	**$**	**213,151**	**$**	**-**

10. Capital Stock

The authorized capital stock of the Company consists of an unlimited number of common shares without nominal or par value. As at September 30, 2018, the Company had 30,196,776 (December 31, 2017 – 17,756,370) common shares issued and outstanding.

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

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

Transactions for the nine months ended September 30, 2018

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

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

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

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

On May 10, 2018, the Company received the Exchange's approval of the option agreements with Constantine and Carlin and Golden Ridge. As per the agreements, in addition to cash payments made to Constantine, Carlin and Golden Ridge, the Company also issued a total of 125,000 shares (25,000 shares each to Constantine and Carlin and 75,000 shares to Golden Ridge (see Note 4 for details of the option agreements). The recorded value of the 125,000 shares was $188,750.

On June 12, 2018, the Company issued 25,000 shares on the exercise of stock options for the total proceeds of $20,750.

Transactions for the year ended December 31, 2017

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

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

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

(Unaudited - Expressed in Canadian Dollars)

10. Capital Stock (continued)

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

Escrow shares

Pursuant to TSX Venture Exchange policies, 6,855,244 (December 31, 2017 – 5,895,000) common shares are held in escrow as at September 30, 2018. The common shares issued in connection with IPO and held in escrow are released as to 10% on the listing date and the balance in equal 15% tranches every 6 months from the listing date.

Stock options

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

During the nine months ended September 30, 2018, the Company granted a total of 860,000 stock options to its officers, directors and consultants exercisable at a price of $1.45 per share for a five-year term. The options vest 20% every six months following the grant date.

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

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2016 and 2015	**-**	**-**
Granted	1,610,000	$0.54
Balance as at December 31, 2017	**1,610,000**	**$0.54**
Granted	860,000	$1.45
Exercised	(25,000)	$0.83
Balance as at September 30, 2018	**2,445,000**	**$0.86**

Share-based payments relating to options vested during the period ended September 30, 2018 using the Black-Scholes option pricing model were $738,638 (2017 - $292,994), which was recorded as reserves on the statements of financial position and as stock-based compensation expense on the statement of operations and comprehensive loss.

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

(Unaudited - Expressed in Canadian Dollars)

10. Capital Stock (continued)

Stock options (continued)

	September 30, 2018	December 31, 2017
Risk-free interest rate	0.95%	1.04%
Expected life of options	5 years	5 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Weighted average share price on grant date	$1.45	$0.55
Fair value of options granted	$1.08	$0.41

As at September 30, 2018, the Company had outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining life in Years	Weighted Average Exercise Price
04/26/2022	1,380,000	552,000	3.57	$0.50
10/27/2022	30,000	6,000	4.08	$0.70
12/06/2022	175,000	125,000	4.19	$0.83
03/14/2023	860,000	172,000	4.45	$1.45
	2,445,000	**855,000**	**3.93**	**$0.86**

Agents' warrants and compensation options

During the period ended September 30, 2018, the Company issued 250,064 agent's compensation options with a fair value of $174,625, exercisable at $1.32 for a two-year period, following the grant date. The warrants and agents' options activity is summarized below:

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2016 and 2015	**-**	**-**
Issued	403,000	$0.50
Balance as at December 31, 2017	**403,000**	**$0.50**
Issued	250,064	$1.32
Exercised	(25,000)	$0.50
Balance as at September 30, 2018	**628,064**	**$0.83**

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

	September 30, 2018	December 31, 2017
Risk-free interest rate	1.79%	0.71%
Expected life of options	2 years	2 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Share price on grant date	$1.32	$0.50

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

(Unaudited - Expressed in Canadian Dollars)

11. Related Party Transactions

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

The renumeration to directors and key management personnel during the nine months ended September 30, 2018 and 2017 was as follows:

Nature of the transaction		**Nine months ended September 30, 2018**		**Nine months ended September 30, 2017**
Director and committee fees	$	121,750	$	-
Investor relations		44,500		-
Management and consulting fees		201,895		114,500
Share-based compensation		336,573		-
	$	**704,718**	**$**	**114,500**

As at September 30, 2018, 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.

			September 30, 2018		**September 30, 2017**
Directors	Director and committee fees	$	36,750	$	-
Key management	Management fees and expense recoveries		19,262		114,500
		$	**56,012**	**$**	**21,000**

12. Segmented information

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

13. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has or feels it can raise adequate financial resources to do so. The Company is not subject to any externally imposed capital requirements and there were no changes to management's approach to capital manager during the period ended September 30, 2018.

14. Financial Instruments

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

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

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

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

Credit risk

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2018, the Company had a cash balance of $3,659,723 to settle current liabilities of $1,467,587. 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 September 30, 2018, the Company no longer has interest bearing cash balances and obligations (Note 6).

Price risk

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

Foreign currency risk

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

(Unaudited - Expressed in Canadian Dollars)

15. Commitment

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

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

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

16. Subsequent Events

On November 6, 2018, the Company announced that it has signed a purchase agreement with Teck Metals Ltd. (“Teck”), a subsidiary of Teck Resources Limited (TSX:TECK.A and TECK.B, NYSE: TECK), to acquire the Nidd Property on the western extension of the Macmillan Pass Zinc Project in Yukon, Canada.

The terms of the Nidd purchase agreement are:

- Fireweed will issue Teck 1,500,000 Fireweed shares. These shares will have a one-year lock-up period during which Teck cannot sell the shares;
- Teck will retain a 1% Net Smelter Return royalty on future production from the Nidd property;
- Teck will have a right of first offer to purchase from Fireweed, future production concentrates from the Nidd Property;
- The purchase agreement is subject to approval by the TSX Venture Exchange.