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## **PROSPECTUS**

**Initial Public Offering**

**May 9, 2017**



### **Offering of \$3,500,000 7,000,000 Shares at \$0.50 per Share**

Fireweed Zinc Ltd. (the “Company”, the “Issuer”, “we”, or “us”) hereby offers (the “Offering”), through its agent, Haywood Securities Inc. (the “Agent”) for sale to purchasers resident in the Provinces of British Columbia, Alberta, Ontario and Yukon Territory (the “Selling Provinces”) 7,000,000 common shares in its capital (“Shares”) at a price of \$0.50 per Share (the “Offering Price”) for gross proceeds of \$3,500,000. The Issuer has also granted the Agent an option (the “Over-Allotment Option”), exercisable in whole or in part at any time until two business days prior to the Closing Date, to offer to sell up to an additional 15% of the number of Shares (the “Additional Shares”; together with the Shares, the “Offered Shares”) sold under the Offering on the same terms as set forth above. The Offering Price of the Shares was determined by negotiation between the Company and the Agent.

	<b>Number of Securities</b>	<b>Price to the Public</b>	<b>Agent’s Commission<sup>1</sup></b>	<b>Proceeds Available to the Company<sup>2,3</sup></b>
Per Share	One	\$0.50	\$0.03	\$0.47
Total Offering <sup>4</sup>	7,000,000	\$3,500,000	\$210,000	\$3,290,000

1. Pursuant to the terms and conditions of an agency agreement dated May 9, 2017 (the “Agency Agreement”), we have agreed to pay the Agent a commission equal to (i) 6% of the gross proceeds of the Offering other than those Shares sold to purchasers identified on a list provided to the Agent by the Company (the “President’s List”), and (ii) 2% of the gross proceeds for Shares sold to subscribers on the President’s List; including any Additional Shares. The Agent’s Commission set forth in the table above assumes that no sales will be made to subscribers on the President’s List. These commissions are payable at the Agent’s election either in cash or in Shares (“Commission Shares”) at a price per share equal to the Offering Price, or any combination thereof. In addition, the Agent will receive non-transferable compensation warrants (the “Agent’s Warrants”) to purchase Shares (“Agent’s Warrant Shares”) in a quantity equal to (i) 6% of the number of Shares sold to purchasers under the Offering not on the President’s List, and (ii) 2% of the number of Shares sold to purchasers on the President’s List. Each Agent’s Warrant will entitle the Agent to acquire one Agent’s Warrant Share at \$0.50 for a period of 24 months from the Listing Date. See “Plan of Distribution”.
2. The Agent will also be paid a corporate finance fee of \$50,000 plus applicable taxes (the “Corporate Finance Fee”), and will be reimbursed, on closing, for its reasonable legal fees and other expenses. See “Plan of Distribution”.
3. Before deduction of the remaining expenses of the Company and the Agent relating to this Offering. See “Use of Proceeds”.
4. The Company has granted to the Agent the Over-Allotment Option to offer to sell the Additional Shares, being up to 15% of

the number of Shares sold under the Offering. Assuming no sales will be made to subscribers on the President's List, and the Agent exercises the Over-Allotment Option in full, the total Offering price to the public, the Agent's commission and the proceeds available to the Company (before deducting expenses) will be approximately \$4,025,000, \$241,500 and \$3,783,500, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Shares issued pursuant to the exercise of the Over-Allotment Option. See "Plan of Distribution".

This Prospectus qualifies for distribution in the Selling Provinces, the Commission Shares and the Agent's Warrants, to the extent permitted by National Instrument 41-101 ("NI 41-101"). NI 41-101 restricts the maximum number of securities being issued to an agent as compensation which may be qualified under a prospectus ("Qualified Compensation Securities"), to not more than 10% of the number of securities being offered; which in the case of the Offering equates to 700,000 Shares (805,000 Shares assuming all Additional Shares are sold). For the purposes of this Offering, any combination of Commission Shares and Agent's Warrants totalling up to 10% of the number of Shares sold are Qualified Compensation Securities and are qualified for distribution by this Prospectus. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Shares sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws. See "Plan of Distribution".

It is expected that the closing of the Offering will be on May 30, 2017, or such other date as may be agreed by the Issuer and the Agent, but in any event no later the date that is 90 days following the date of a receipt for the final prospectus (or such later date as the securities regulatory authorities may permit). In the event that the closing of the Offering does not occur on or before the date that is 90 days following the date of a receipt for the final prospectus, all subscriptions and subscription funds will be returned to investors by the Agent, without interest or any deduction or penalty.

The Offering is subject to a minimum subscription of 7,000,000 Shares.

**The Offering is not underwritten or guaranteed by any person or agent.** The Agent has agreed to offer the Shares on a reasonable commercial efforts basis. The Agent conditionally offers the Shares, if, as and when issued, sold and delivered by the Company in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution", subject to approval of certain legal matters relating to the Offering, on behalf of the Issuer by Owen Bird Law Corporation, and on behalf of the Agent by Osler, Hoskin & Harcourt LLP. See "Plan of Distribution".

The following table sets out maximum securities issuable to the Agent:

	Number of Securities <sup>1,2</sup>	Exercise Period	Exercise Price
Over-Allotment Option	1,050,000 Shares	Up to two business days prior to the Closing Date	\$0.50 per Share
Commission Shares <sup>4</sup>	340,000 Shares <sup>2,3</sup>	n/a	n/a
Agent's Warrants	340,000 Agent's Warrants <sup>2,3</sup>	Up to 24 months from the Listing Date	\$0.50 per Share

1. This Prospectus qualifies for distribution the Commission Shares and the Agent's Warrants in the Selling Provinces to the extent the same are Qualified Compensation Securities. See "*Plan of Distribution*".
2. If the Over-Allotment Option is exercised in full, the Agent will receive up to an additional 63,000 Commission Shares and 63,000 Agent's Warrants.
3. Assumes the President's List is subscribed in full. If no subscriptions are received under the President's List, and the Over-Allotment Option is exercised in full, the Agent will receive up to 483,000 Commission Shares and 483,000 Agent's Warrants.
4. Assumes the Agent elects to receive its commission in the form of Commission Shares.

**There is no market through which Shares may be sold and purchasers may not be able to resell Shares purchased under this prospectus. This may affect the pricing of the Shares in the secondary market, the**

**transparency and availability of trading prices, the liquidity of the Shares and the extent of issuer regulation. See “Risk Factors”.**

As at the date of this prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

**The Company has received conditional approval to list its Shares on the TSX Venture Exchange. Listing will be subject to the Company fulfilling all the initial listing requirements of the TSX Venture Exchange, including distribution of the Shares to a minimum number of public holders. See “Plan of Distribution”.**

**An investment in the Shares is speculative and is subject to a number of risks that should be considered by a prospective purchaser. An investment in a natural resource issuer involves a significant degree of risk. The degree of risk increases substantially where the issuer’s properties are in the mineral exploration stage as opposed to the development stage, as in the present instance. Prospective purchasers should carefully consider the risk factors described under “Risk Factors” before purchasing the Shares.**

Mr. Richard Hajdukiewicz, a director of the Company, resides outside of Canada. Mr. Hajdukiewicz has appointed the Issuer as his agent for service of process in each of the Selling Provinces. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against Mr. Hajdukiewicz, or any other person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if such person has appointed an agent for services of process. See “Risk Factors”

**Prospective investors in the Shares should rely only on the information contained in this prospectus. Neither the Company nor the Agent has authorized anyone to provide investors with any different or additional information. If anyone provides prospective purchasers with any additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers are warned not to rely on it. Neither the Company nor the Agent is offering to sell the Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should not assume that the information contained in this prospectus is accurate as of any date other than the date of this prospectus, or where information is stated to be as of a date other than the date of this prospectus, such other applicable date. Subject to the Company’s obligations under applicable securities laws, the information contained in this prospectus is accurate only as of the date of this prospectus regardless of the time of delivery of this prospectus or of any sale of the Shares.**

**AGENT:**

**HAYWOOD SECURITIES INC. 🍁**

200 Burrard Street, Suite 700  
Vancouver, BC V6C 3L6

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## GLOSSARY OF GENERAL TERMS

The following is a glossary of certain general terms used in this Prospectus:

<b>Additional Share</b>	means the additional Shares sold under the Offering, as a result of the Agent exercising the Over-Allotment Option.
<b>Agency Agreement</b>	means the agreement dated May 9, 2017 between the Agent and the Company in respect of the Offering.
<b>Agent</b>	means Haywood Securities Inc.
<b>Agent's Commission</b>	means the commission to be paid on the Closing Date by the Company to the Agent pursuant to the Agency Agreement in an amount equal to 6% of the gross proceeds of the Offering sold to purchasers who are not identified on the President's List, and 2% for those who are on the President's List. These commissions are payable at the Agent's election, either in cash or through the issuance of Commission Shares at a price of \$0.50 per Commission Share, or any combination thereof.
<b>Agent's Warrants</b>	means the non-transferable warrants to be granted on the Closing Date by the Company to the Agent pursuant to the Agency Agreement, to purchase Agent's Warrant Shares in an amount equal to 6% of the number of Shares sold under the Offering to purchasers who are not identified on the President's List, and 2% for those who are on the President's List, exercisable at \$0.50 per Agent's Warrant Share for 24 months from the Listing Date.
<b>Agent's Warrant Shares</b>	means Shares issuable to the Agent upon exercise of the Agent's Warrants.
<b>Board</b>	means the board of directors of the Company.
<b>CDS</b>	means CDS Clearing and Depository Services Inc.
<b>Closing Date</b>	means the day on which the Offering is closed, to occur within 90 days of the Effective Date.
<b>Commission Shares</b>	means Shares which may be issued on the Closing Date by the Company to the Agent, in settlement in whole or in part of the Agent's Commission.
<b>Common Share, or Share</b>	means a common share without par value in the capital stock of the Company.
<b>Company, Issuer, we, or us</b>	means Fireweed Zinc Ltd.
<b>Corporate Finance Fee</b>	means the sum of \$50,000 (plus applicable taxes) payable on the Closing Date by the Company to the Agent pursuant to the Agency Agreement.
<b>Effective Date</b>	means the date the Securities Commissions issue a final receipt for this Prospectus.
<b>Escrow Agent</b>	means Computershare Investor Services Ltd.
<b>Escrow Agreement</b>	means the agreement dated effective April 13, 2017 among the Company, the Escrow Agent, and certain shareholders of the Company whereby the Escrowed Shares are held in escrow by the Escrow Agent.

<b>Escrowed Shares</b>	means those 7,860,000 previously issued Shares which are subject to the Escrow Agreement.
<b>Exchange or TSXV</b>	means the TSX Venture Exchange Inc.
<b>Hudbay</b>	means Hudbay Minerals Inc., a party to the Property Option Agreement.
<b>Listing Date</b>	means the date the Company's Shares are first listed for trading on the Exchange.
<b>Named Executive Officers, or NEOs</b>	means Brandon Macdonald (the Company's CEO), and Han-Ying (Jessie) Lin (the Company's CFO).
<b>NI 41-101</b>	means National Instrument 41-101, <i>General Prospectus Requirements</i> .
<b>NI 43-101</b>	means National Instrument 43-101, <i>Standards of Disclosure for Mineral Projects</i> .
<b>Offered Shares</b>	means the Shares, including the Additional Shares, being offered for sale by the Company under the Offering.
<b>Offering</b>	means the offer for sale by the Company of the Offered Shares at the Offering Price in accordance with the terms of the Agency Agreement and this Prospectus.
<b>Offering Day</b>	means the day on which the Offering is made, to be determined by the Agent and the Company, with the consent of the Exchange, to occur within 90 days after the Effective Date.
<b>Offering Price</b>	means \$0.50 per Share.
<b>Over-Allotment Option</b>	means the option the Issuer granted to the Agent, to exercise in whole or in part at any time and from time to time until two business days prior to the Closing Date, to offer to sell Additional Shares of up to 15% of the number of Shares sold under the Offering.
<b>Performance Shares</b>	means up to 4,000,000 Shares which may be issued to designated recipients should the Issuer achieve certain milestones.
<b>President's List</b>	means the list which is provided by the Company to the Agent of strategic investors, existing shareholders, family members, friends and business associates of the Company who will be protected potential purchasers for an amount up to \$1,000,000 as part of the Offering.
<b>Project</b>	means the Property together with all of Hudbay's technical information and exploration assets located on or affiliated with the Property as described in the Property Option Agreement.
<b>Property</b>	means those 427 mineral claims in the Yukon Territory plus 120.68 hectares of surface rights, collectively referred to as the Tom-Jason Property. See "Description of Mineral Property".
<b>Property Option Agreement</b>	means that mineral property option agreement dated December 14, 2016 between the Issuer (as optionee) and Hudbay (as optionor) whereby Hudbay granted the Issuer the exclusive option to acquire the Project.
<b>Prospectus</b>	means this Prospectus.
<b>Qualified Compensation Securities</b>	means the securities issued to the Agent, as compensation, which may be qualified under the Prospectus.

<b>Report</b>	means the technical report prepared in compliance with NI 43-101 pertaining to the Property, authored by Dennis Arne, P.Geo., dated effective January 31, 2017, entitled “NI 43-101 Technical Report on the Tom-Jason Zinc-Lead-Silver Project, Yukon Territory, Canada near 63° 10’N, 130° 09’W NTS Map Sheet: 105O-01”, a summary of which is contained herein.
<b>SAR</b>	means a stock appreciation right, namely a right, granted by the Company as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Company’s Shares.
<b>Securities Commissions</b>	means the securities regulatory authorities in each of the Selling Provinces.
<b>Selling Provinces</b>	means British Columbia, Alberta, Ontario and Yukon Territory, the three provinces and one territory in which this Prospectus has been filed and in which the Offering will be made.
<b>Stock Option Plan</b>	means the Company’s 10% rolling stock option plan.
<b>YESEAA</b>	means the Yukon Environmental and Socio-Economic Assessment Act.

## **GLOSSARY OF GEOLOGICAL TERMS**

The following is a glossary of certain geological terms used in this Prospectus:

<b>Ag</b>	<i>is the symbol for silver.</i>
<b>Alteration</b>	<i>means the change in minerals that can occur when rock units are subjected to hydrothermal solutions often associated with intrusive rocks or with areas of volcanic activity.</i>
<b>Anomaly</b>	<i>means an area which exhibits either elevated metal concentrations in surface materials or magnetic, electro-magnetic or other exploration related responses potentially indicative of underlying mineral deposits.</i>
<b>Breccia</b>	<i>means a type of rock that is comprised of fragments of other rock units and which can be formed either by extrusive or intrusive volcanic processes, sedimentary processes or by tectonic or structural deformation.</i>
<b>Geochemical Surveys</b>	<i>means a type of mineral exploration survey that involves collecting samples of soil, stream sediments or rocks to assist in the identification of prospective areas for mineralisation.</i>
<b>Cambrian</b>	<i>means the geologic era spanning from 570 to 500 Ma before present.</i>
<b>Devonian</b>	<i>means the geologic era from 405 to 345 Ma before present.</i>
<b>Diamictite</b>	<i>means a type of lithified sedimentary rock that consists of poorly sorted sedimentary rock containing particles that range in size from clay to boulders, suspended in a fine to medium size clastic matrix.</i>
<b>Fault</b>	<i>means a fracture in bedrock along which there has been movement, usually along a roughly planar surface.</i>

Feasibility Study	<i>means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.</i>
Galena	<i>means a lead sulphide mineral which is the most common source of lead.</i>
Geophysical Surveys	<i>means a type of mineral exploration survey that involves measuring electrical, magnetic and other physical properties of the rocks underlying a particular survey area to identify geophysical Anomalies which may indicate the location of mineral deposits. Geophysical Surveys can be completed over areas on the ground or over large areas by aircraft mounted survey equipment.</i>
Growth Fault	<i>means a Fault along which vertical or sub-vertical movement occurs during the deposition of sediments.</i>
Hydrothermal	<i>means the heated, usually acidic solutions within the earth's crust which are known to move and precipitate minerals which form mineral deposits.</i>
Ma	<i>means million years.</i>
Overburden	<i>means surface soils and loose or unconsolidated rock material. When this material overlies a mineral deposit it must be removed prior to mining.</i>
Pb	<i>is the symbol for lead.</i>
Pre-Feasibility Study	<i>means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.</i>
Pyrite	<i>means a common iron sulphide mineral.</i>
SEDEX	<i>means sedimentary exhalative deposit, the type of mineral deposit known to occur on the Property.</i>
Sedimentary rock	<i>means those rocks formed by the processes of deposition and solidification of surface materials and includes siltstones, shales, sandstones, limestones sedimentary breccias and conglomerates.</i>
Silurian	<i>means the geologic era from 425 to 405 Ma before present.</i>
Soil Geochemistry	<i>means a type of Geochemical Survey that involves collecting samples of Overburden at regular intervals on or beneath the ground which may overlie and hide altered or mineralized bedrock. By chemically analyzing these samples it is possible to identify anomalies which overlie areas of bedrock mineralisation beneath.</i>

Sphalerite	<i>means a zinc sulphide mineral which is the most common source of zinc.</i>
Stockwork	<i>means a rock consisting of closely spaced small veins of minerals which in some cases represent mineral deposits which may be bulk mined in open pits or underground.</i>
Sulphide	<i>means a mineral made up of sulphur and one or more metals.</i>
Tectonic	<i>means structural effects such as faulting which occur in the earth's crust in response to stress produced by plate tectonic or other geological processes.</i>
Thrust Fault	<i>means a shallow angle fault in which rocks from a lower (older) stratigraphic position have been pushed up and over younger higher strata. Thrust faults are the result of compressional forces in the Earth's crust.</i>
Zn	<i>is the symbol for zinc.</i>

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

Certain statements contained in this Prospectus constitute forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. 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, or incorporated by reference into, this Prospectus should not be unduly relied upon. These statements are current only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference into this Prospectus, as the case may be. 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.

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- completion of exploration work programs on the Property;
- capital and general expenditures;
- expectations regarding the ability to raise capital; and
- treatment under governmental regulatory regimes.

Assumptions underlying the expected nature and cost of the exploration program on the Property are as set forth in the Report. Assumptions underlying our working capital requirements are based on management’s experience with other public companies in the junior mineral exploration sector. Forward-looking statements pertaining to the Company’s need for and ability to raise capital in the future are based on the projected costs of operating a junior mineral exploration company, and management’s experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities, assumes no material change in regulations, policies, or the application of the same by such authorities.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- liabilities inherent in our operations;
- uncertainties associated with mineral exploration;
- weather and working conditions;
- negative changes in First Nations relations
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- fluctuations in metal prices and stock market volatility; and
- the other factors discussed under “*Risk Factors*”.

This list of factors should not be construed as exhaustive.

## **SUMMARY OF PROSPECTUS**

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Unless otherwise noted, all currency amounts are stated in Canadian dollars.*

### **The Company**

The Company was incorporated on October 20, 2015 pursuant to the *Business Corporations Act* (Yukon). See “Corporate Structure”.

To date, our principal business has been the acquisition of the Project, raising initial equity funding, undertaking due diligence and commissioning the Report on the Project, and seeking a listing on the Exchange. See “Description of the Company’s Business” for details.

### **The Offering**

We seek to raise gross proceeds of \$3,500,000 through the sale of 7,000,000 Shares at \$0.50 per Share, with an over-allotment provision for an additional \$525,000 through the sale of 1,050,000 Additional Shares at the Offering Price. See “Plan of Distribution” and “Description of Securities Distributed” for details.

### **Agent’s Consideration**

The Agent will receive on the Closing Date: (i) the Agent’s Commission; (ii) the Agent’s Warrants; (iii) the Corporate Finance Fee; and (iv) reimbursement of its expenses and all applicable taxes. This Prospectus qualifies the distribution of the Agent’s Warrants and any Commission Shares to the extent the same are issued to the Agent and are Qualified Compensation Securities. See “Plan of Distribution” for details.

### **Use of Proceeds**

We intend to use the net proceeds available from the Offering (after payment of all costs of the Offering) to fund the acquisition of and exploration expenditures on the Property, the evaluation and acquisition of other zinc projects, and for general working capital requirements. See “Use of Proceeds – Principal Purposes” for details.

### **Directors and Officers**

The officers and directors of the Issuer are:

Brandon Macdonald	CEO and Director
John Robins	Executive Chairman and Director
Han-Ying (Jessie) Lin	Chief Financial Officer
Adrian Rothwell	Director and Audit Committee Chair
Dan Rogness	Director and Member of the Audit Committee
George Gorzynski	Director and Member of the Audit Committee
Richard Hajdukiewicz	Director
Jeffery Dare	Corporate Secretary

See “Directors and Executive Officers” for details.

## Consolidated Capitalization

The Issuer currently has 9,420,000 Shares outstanding (issued as: (i) 2,000,000 Shares at \$0.00025 per Share; (ii) 2,000,000 Shares at \$0.01 per Share; (iii) 500,000 Shares at \$0.06 per Share; (iv) 3,100,000 Shares at \$0.10 per Share; and (v) 1,820,000 Shares at \$0.25 per Share). Upon closing of the Offering and assuming the Offering and Over Allotment are fully subscribed, the Issuer will have 17,470,000 Shares outstanding (excluding any Agent's Commission Shares, Agent's Warrant Shares or Performance Shares which may be issued). See "Prior Sales" for details.

## Risk Factors

An investment in the Offered Shares should be considered highly speculative due to the nature of our business, being that we have only one mineral property without any known body of commercial ore, and with limited exploration having been completed on the Property. The Project has no history of commercial mining operations, revenues, earnings or dividends. An investment in our securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. Investors should consult with their professional advisors to assess an investment in our securities.

Our activities are subject to the risks normally encountered in the mineral resource exploration and mine development business. The following risk factors should be considered in connection with an investment in the Company: First Nations' land claim issues; approval of First Nations for access to and operations on the Property; dilution to investors under the Offering; exploration and development risks; existing and potential environmental and other regulatory factors; liquidity concerns and future financing requirements;; no history of operations, revenues, earnings or dividends; adverse consequences of our failing to maintain our mineral property interests; substantial capital expenditure requirements; operating hazards and risks; mineral prices; community relations; competition; title matters; political and economic changes; uninsurable risks; quarterly operating result fluctuations; and industry regulation. See "Risk Factors" for more details.

## Summary of Selected Financial Information

The following table summarizes selected audited financial data of the Company for the period from our incorporation on October 20, 2015 to December 31, 2015, and our audited financial data for the 12 months ended December 31, 2016, and should be read in conjunction with the financial statements and the related notes thereto; together with management's discussion and analysis, as included elsewhere in this Prospectus:

Item	Twelve Months Ended December 31, 2016	Period from October 20, 2015 (date of incorporation) to December 31, 2015
Revenues	\$ nil	\$ nil
Expenses	(\$188,639)	(\$13,521)
Net Loss	(\$188,639)	(\$13,521)
Current Assets	\$78,177	\$181
Exploration and Evaluation Assets	\$101,971	\$ nil
Total Assets	\$180,148	\$181
Current Liabilities	\$31,808	\$12,902
Working Capital (deficit)	\$46,369	(\$12,721)
Shareholders' Equity	\$148,340	(\$12,721)
Number of Shares Outstanding at Year End	5,700,000	3,200,000

See “Management Discussion and Analysis” and the financial statements of the Issuer attached in Schedule “A” to this Prospectus for details.

**Business Objectives and Milestones**

Our short term business objectives are to: (i) complete the Offering under this Prospectus; (ii) obtain a listing of our Shares on the Exchange; and (iii) undertake the exploration program on the Property as recommended in the Report. See “Description of the Company’s Business” and “Use of Proceeds” for details.

## CORPORATE STRUCTURE

### **Name, Address and Incorporation**

The Company was incorporated pursuant to the *Business Corporations Act* (Yukon) on October 20, 2015 under the name “Fireweed Zinc Ltd.”.

Our head office is located at Suite 1020 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6; and our registered and records offices are located at 3081 3<sup>rd</sup> Ave, Whitehorse, Yukon Y1A 4Z7.

We are not a reporting issuer in any jurisdiction; and our Shares are not listed or posted for trading on any stock exchange.

### **Intercorporate Relationships**

The Company has no subsidiaries.

## DESCRIPTION OF THE COMPANY’S BUSINESS

### **General**

Our principal business purpose since incorporation has been to acquire, fund and explore the Property, with a view to obtaining a listing of our Shares on the Exchange.

We have taken the following steps to develop our business: (1) negotiated and on December 14, 2016 signed the Property Option Agreement with Hudbay; (2) recruited directors and officers with the skills required to operate a publicly listed mineral exploration company; (3) raised an aggregate of \$815,500 through the sale of our Shares, such funds being sufficient capital to make the initial payment under the Property Option Agreement (\$100,000), to pay for the Report, due diligence and other expenses, and to cover the costs associated with the Offering; and (4) engaged the Agent to assist us in making an application for listing on the Exchange, and to complete the Offering.

### **Significant Acquisitions and Dispositions**

Our only significant acquisition to date has been entering into the Property Option Agreement, whereby we were granted an exclusive two year option to acquire the Project in consideration of:

- (a) paying to Hudbay the sum of \$1,000,000, as to
  - (i) \$100,000 upon the execution and delivery of the Property Option Agreement (paid);
  - (ii) \$150,000 upon the earlier of our initial public offering (“IPO”) and exercise of the Option; and
  - (iii) \$750,000 upon exercise of the Option;
- (b) subject to certain exceptions, issuing to Hudbay at the same time as we make the last cash payment above, such quantity of Shares as is equal to 15% of our then issued and outstanding Shares (on a fully diluted basis); and
- (c) subject to certain exceptions, incurring aggregate expenditures toward exploration on the Property of at least \$1,000,000 prior to the exercise of the Option; of which at least \$250,000 must be incurred during the first twelve (12) months following the date (December 14, 2016) of the Property Option Agreement.

We may exercise the Option and acquire the Project at any time following 12 months from the date of the Property Option Agreement. We may exercise the Option within the first 12 months of the date of the Property Option Agreement with the prior written consent of Hudbay.

In connection with the conditional approval for the listing of the Shares on the TSXV, the Company agreed with the TSXV that regarding the Shares issuable to Hudbay:

- (a) the number of Shares will not exceed that calculated as 65% of the Company's issued and outstanding Shares as of the Closing Date;
- (b) the Shares will be subject to resale restrictions expiring four months and a day following the date of issue; and
- (c) the Shares will become subject to the Escrow Agreement, to be released retroactive from the Listing Date.

Commencing upon the Closing Date and continuing until the earlier of Hudbay ceasing to hold at least 10% of the outstanding Shares of the Company or the transfer by the Company of its interests in the Project, Hudbay will be entitled to appoint and maintain one representative to the Company's board of directors, subject to the Hudbay nominee meeting Exchange requirements and any other applicable regulations.

The Property is subject to a 3% net smelter returns royalty payable to third parties on the Jason claims. This royalty can be purchased for \$5,250,000. There are no underlying royalties on the Tom claims.

### **History Since Incorporation**

Effective October 20, 2015, we issued a total of 3,200,000 Shares for nominal consideration (\$0.00025 per Share) to two founders (Richard Hajdukiewicz and George Gorzynski). Negotiations then began with Hudbay for the purchase or option of the Project.

In the latter half of 2016, we engaged each of John Robins and Brandon Macdonald to become officers and directors of the Issuer.

On September 20, 2016, 1,200,000 Shares originally issued October 20, 2015 were surrendered by George Gorzynski and Richard Hajdukiewicz for cancellation to the Company.

During the months of October 2016 to February 2017 we completed the following private placements:

- 2,000,000 Shares at \$0.01 per Share, as to 500,000 Shares to each of the four directors;
- 500,000 Shares at \$0.06 per Share, as to 100,000 Shares to each of the four directors and another investor;
- 3,100,000 Shares at \$0.10 per Share, as to 100,000 Shares to each of Richard Hajdukiewicz and George Gorzynski; 1,100,000 Shares to John Robins; 600,000 Shares to Brandon Macdonald; and 1,200,000 Shares to other investors; and
- 1,820,000 Shares at \$0.25 per Share, as to 260,000 Shares among the four directors, and 1,560,000 Shares to other investors.

On December 14, 2016 we executed the Property Option Agreement with Hudbay.

We intend to fund the balance of the cash purchase price payable to Hudbay, and exploration on the Property, as recommended in the Report (see "Description of Mineral Property – Recommendations") and additional exploration subject to success of the recommended exploration using the proceeds of our prior private placement financings and the net proceeds of this Offering. See "Use of Proceeds" for details.

## **DESCRIPTION OF MINERAL PROPERTY**

### **Technical Report**

The Property is our only mineral project. The Property is owned 100% by Hudbay, and we have the exclusive right to acquire the Property pursuant to the terms of the Property Option Agreement. The Report on the Property has been prepared for the Company by Dennis Arne, P. Geo, (the "Author") of CSA Global Geosciences Canada Ltd. ("CSA Global"). The Author is the Qualified Person for the Report and is independent of the Issuer as those terms are defined in NI 43-101. The Report will be available for review under the Issuer's profile on SEDAR. A copy of the Report may also be inspected during the period of the Offering and for 30 days thereafter at our registered office at Suite 2900 – 595 Burrard Street, Vancouver, B.C. The following summary derived from the Report has been reviewed and approved by the Author. Portions of this summary are based on assumptions, qualifications and procedures which are described in the Report but are not fully described in this Prospectus. Sources of information for portions of this summary are listed in the References section of the Report.

### *Property Description and Location*

The Project is in the MacMillan Pass area of the Yukon Territory near the border with the Northwest Territories (Figure 1) in the Watson Lake and Mayo Mining Districts. It is located at latitude 63°10'N and longitude 130°09'W on NTS map sheet 105O-01, approximately 400km northeast of Whitehorse, the capital city of Yukon Territory with an international airport, and 200km northeast of the community of Ross River, which is the nearest settlement.

The Project consists of two historically distinct but contiguous properties/claim groups (Figure 2). The Tom property/mining lease consists of a total of 144 claims covering 2295 Ha with an anniversary date of October 12, 2018 which can be extended. The group also includes a surface lease comprising 120.68 Ha over the Tom deposits which expires February 28, 2022, and which can also be extended. The Jason property/claim group consists of a total of 283 quartz claims for an area of 3,528 Ha that are renewed on an annual basis, with a current anniversary date of December 31, 2017. Annual work requirements for the Jason claims total C\$28,300 per year. The Tom claims are a mining lease and are subject to annual permit fees totaling \$28,960 per year. In recent years these work requirements and fees have been waived by the Yukon government due to the staking withdrawal in the region (described below). The annual fee for the 120.68 Ha surface lease on the Tom property is \$2,311 per year.



Figure 1. Location of the Tom and Jason properties

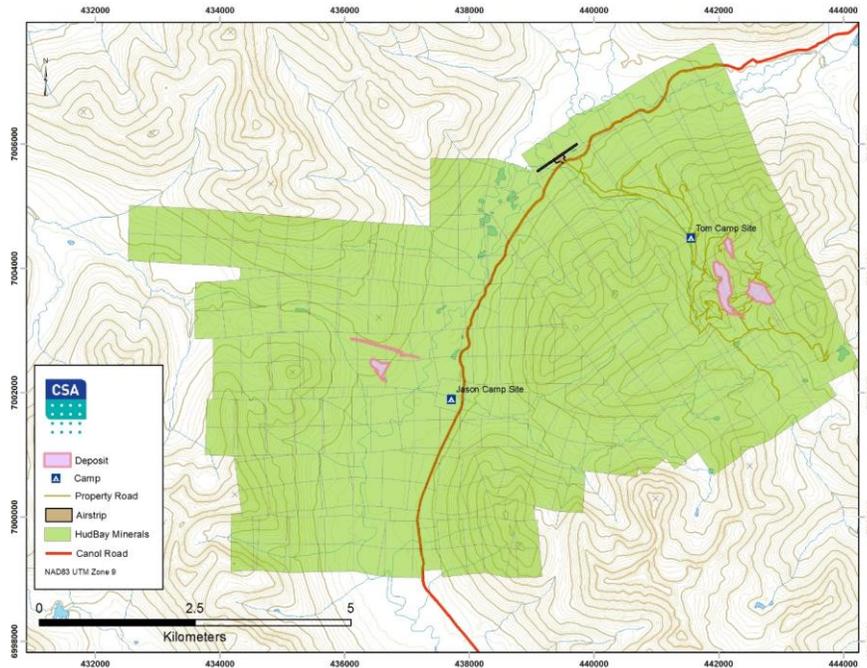


Figure 2. Tom and Jason claim groups

Exploration work is subject to the Mining Land Use Regulations of the Yukon Mining Quartz Act and to the Yukon Environmental and Socio-Economic Assessment Act (“YESAA”) among other regulations. A land use permit must be obtained and YESAA Board approval issued before large-scale exploration is conducted. A Class 3 land use permit for exploration activities on the Property (LQ00325) under the *Quartz Mining Act* and Quartz Mining Land Use Regulations has been issued to Hudbay and extended to September 21, 2021. A waste management permit issued in 2011 (81-029) has been extended to December 31, 2021. Discharge of water with naturally elevated metal values from the lower Tom adit is within standards set by the current Type B water use licence (QZ15-060-01) granted on July 24, 2015 and extended until December 31, 2020. The discharge from the lower Tom adit has been the subject of water quality monitoring a minimum of six times per year and reporting since 2001. Continued efforts will be required to monitor compliance with the water licence. A preliminary environmental investigation was undertaken on the Jason deposit by Gartner Lee Limited in 2006. Additional permits will be required from the territorial and federal governments to further develop the deposits including permits for the drilling program recommended in this Report.

The Property lies within an area of territorial claim by the Kaska First Nations that has been withdrawn from staking (Ross River Area OIC 2013/224 and OIC 2013/60). The Kaska First Nations have not reached a land claim settlement with the Yukon government, and so the terms of any future development of the Project remain uncertain and will require consultation with the Kaska and any other affected First Nation. However, the current staking moratorium does not prevent exploration work to be carried out on existing claims. See “Risk Factors”. As of the effective date of the Report, CSA Global is unaware of any other significant factors and risks that may affect access, title, or the right or ability to perform work on the Project.

### ***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

The Property is in the Hess Mountain region of the Selwyn Mountains, part of the western North American Cordillera. Elevations in the Project area vary between approximately 1,125m and 1,200m in the flat, wide valley bottom of MacMillan Pass to approximately 2,100m at mountain peaks on the Tom Property. The tree line occurs at approximately 1,350m, and mountain tops are covered by alpine vegetation. Vegetation below 1,350m is dominated by mixed deciduous and conifer (mainly black spruce) forest.

Access to the Property is via the sealed Robert Campbell Highway from Whitehorse, the capital of Yukon with an international airport, to the town of Ross River, a distance of approximately 400km (Figure 1). The seasonal North Canol Road continues to the Project area at MacMillan Pass from Ross River approximately 200km (Figure 1). This road can only be accessed by a ferry/barge across the Pelly River near the town of Ross River during the summer months. The Tom Property can be accessed directly from the North Canol Road. A wooden bridge across the South MacMillan River previously provided access to the Jason Property, but this bridge was derelict in 2011. It is possible to ford the South

MacMillan River during low water in the summer. Numerous tracks provide access to various areas of both projects. A seasonal gravel airstrip is also available at MacMillan Pass to support activities in the region.

The climate of the region is sub-arctic. Weather data collected between 1974 and 1982 at the Mactung project located 14 km north of the Property indicates an average annual temperature of  $-7.7^{\circ}\text{C}$ , ranging between seasonal averages of  $-30^{\circ}\text{C}$  in winter and  $+4^{\circ}\text{C}$  in summer. The average recorded annual precipitation for this period was 490mm, with an average annual snowfall of 294cm. The effective season for field exploration operations in the Project area runs from June through late September or early October, depending upon when the Pelly River ferry commences and ceases operations for the season. Mine operations in the region with supporting infrastructure could operate year-round.

There are no services available at the Project site. Electricity must be generated locally by diesel generators. A 20-person trailer camp was installed at the Tom Property in 2011, including a septic system. Drill cores from both the Tom and Jason deposits are stored near the Tom camp.

Hudbay developed the Tom mine adit in 1970 to access the Tom West Zone for bulk sampling and underground drilling, for a total of 1,809m of drifting. The adit was subsequently partially plugged on August 26, 2010 to flood existing workings and reduce the flow of acid mine drainage from the opening. An upper level decline into the deposit was developed in 1982, also for exploration purposes, but was subsequently backfilled.

Project infrastructure needs in the event of potential development of the Tom and Jason deposits to production stage have not been assessed in detail, but CSA Global is of the opinion that the property surface rights are sufficient for potential mining operations, processing plant sites and waste and tailings storage areas, provided necessary permits are obtained and a satisfactory land claim settlement is reached with the Kaska First Nations. Water is readily available, provided necessary permits can be obtained from the Yukon Water Board. The North Canal Road would require upgrading and the construction of a bridge across the Pelly River and South MacMillan River. Power needs would likely require installation of diesel or LNG generators at the site. The nearest year-round ice-free port facilities are in Skagway, Alaska and Stewart, British Columbia. While there is a heritage rail link between Whitehorse and Skagway via the town of Carcross, there are no existing rail freight lines in the Yukon, meaning that metal concentrates would likely be transported by road from the Project to the port at Stewart, a distance of 1200km by road. Whitehorse, 610km via road from the Project, is the major center of supplies and communications in the Yukon and has a source of skilled labor for exploration diamond drilling, construction and mining operations. There is daily jet airplane service from Whitehorse to Vancouver, British Columbia and other points south. The closest population centres to the Project via road (Figure 1) from which local supplies may be obtained include Ross River (population 350, 200km), Faro (population 400, 275km), Carmacks (population 500, 435km) and Watson Lake (population 1200, 570km).

### ***History***

The Tom property has been held continuously by Hudbay through various subsidiaries since its discovery in 1951, although it was optioned to Cominco Ltd between 1988-92. On December 14, 2016 Hudbay signed the Property Option Agreement with the Issuer as described in elsewhere in this Prospectus.

The Jason claims were first staked in 1971 by the Ogilvie Joint Venture. An interest in the property was obtained by Pan Ocean Oil Ltd in 1979 before being acquired by Aberford in 1981. Aberford's interest in the property was transferred to Abermin Corporation ("Abermin") in 1985, and thence to CSA Gold Corporation (no connection to CSA Global). All parties transferred their interest to MacPass Resources Ltd. and the property was then purchased by Hudbay in 2007 subject to a 3% NSR (as described elsewhere in this Prospectus).

Key events in the exploration of the Tom Property include the following:

- discovery of the Tom West Zone in 1951 with commencement of drilling in 1952;
- discovery of the Tom East Zone in 1953;
- commencement of adit development in 1969 (lower adit) with 1,703m of lateral development in 1970;
- discovery of an extension to the Tom West Zone in 1979;
- completion of a spiral decline in 1982 (upper adit);
- optioning of the property to Cominco Ltd between 1988 and 1992;
- partial plugging of the lower adit and covering of waste rock pile between 2007 and 2010;
- 201 drill holes totalling 31,672m completed between 1952 and 2007;
- 11 additional diamond drill holes totalling 1823m were drilled for metallurgical and in-fill drilling at the Tom Property in 2011, followed by metallurgical testing; and
- orientation surface geochemical soil sampling surveys on the Tom Property in 2011.

There has been no material exploration work carried out on the Tom Property since 2011.

Key events in the exploration of the Jason Property include the following:

- drilling of 87 holes, including 45 diamond and 33 rotary overburden holes, between 1974 and 1978;
- drilling of 42 diamond drill holes between 1980 and 1982 for a total of 129 historical diamond and rotary holes totalling 37,924m. No drilling has occurred on the Jason Property since 1991;
- an option to Phelps Dodge Corporation of Canada between 1990 and 1992; and
- purchase of the Jason Property by Hudbay in 2007.

The Author is unaware of any material exploration on the Jason property undertaken since 1992.

A majority of the historical exploration work carried out on the Property was drilling with the goal of defining economic resources.

In 2007, Scott Wilson Roscoe Postle Associates Inc. (“RPA”) completed mineral resource estimates on the Tom and Jason deposits for Hudbay in accordance to NI 43-101 of the time. Since those estimates were made, there has been no further drilling at Jason, and 11 diamond holes were drilled at Tom in 2011. The latter were either twin holes (5) sampled for metallurgical testing or in-fill holes (6) for the Tom West Zone. ***The Author has done insufficient analysis to confirm the 2007 resource estimates as current and compliant with NI 43-101 with respect to the Report. CSA Global and the Issuer are treating these resources as historical estimates, not current mineral resources. The Author has not done the work necessary to verify the historical estimates as current estimates under NI 43-101 and as such they should not be relied upon. The Author includes these historical estimates in this report because they represent material historical information that has been previously publicly disclosed (see Rennie (2007) in the Hudbay profile under www.sedar.com).*** These historical resource estimates (Rennie, 2007) are presented in Table 1. The Author is not aware of any mineral resource estimates for the Project after 2007.

The historical resource estimates are based on wireframe models of the mineralised zones provided by Hudbay for Tom and constructed by Rennie (2007) for Jason. Block estimates for Pb, Zn, Ag and Ba were calculated using inverse distance squared (IDW<sup>2</sup>) interpolation after compositing the data to 1.52 m lengths. A search ellipse of 200m by 200m by 30 m was used for grade estimation and a search ellipse 100m by 100m by 30m was used for resource classification. A monetary cut-off value of US\$50/t was applied to both the wireframe and block model, based on the following price assumptions (in 2007 US dollars): \$0.57/lb Zn, \$0.35/lb Pb and \$7.00/oz Ag. Bulk density data were not available for the Tom deposit. Bulk densities were estimated by regression analysis of Zn, Pb, Ba and Fe data from 1,758 samples from the Jason deposit, for which there were bulk density measurements, on the assumption that the relationship was similar at Tom (Rennie, 2007). Rennie (2007) recommended that bulk density measurements be determined for the Tom deposit. Bulk densities were measured for selected samples from the metallurgical test holes drilled in 2011 using the water immersion method. Composite specific gravities calculated for entire mineralised intersections and from waste from three of the metallurgical test holes agree closely with those estimated using the same regression equation obtained by Rennie (2007) for the Jason deposit.

Table 1. Historical mineral resource estimates for the Tom and Jason deposits from Rennie (2007).

Class	Deposit	Mt	Zn (%)	Pb (%)	Ag (g/t)
Indicated	Jason	1.45	5.25	7.42	86.68
Indicated	Tom	4.98	6.64	4.36	47.77
<b>Indicated</b>	<b>Total</b>	<b>6.43</b>	<b>6.33</b>	<b>5.05</b>	<b>56.55</b>
Inferred	Jason	11.0	6.75	3.96	36.42
Inferred	Tom	13.6	6.68	3.10	31.77
<b>Inferred</b>	<b>Total</b>	<b>24.6</b>	<b>6.71</b>	<b>3.48</b>	<b>33.85</b>

Further in-fill drilling to allow upgrade of the resource from inferred to indicated was also recommended by Rennie (2007), along with geometallurgical domaining of the mineralisation. Development of a more detailed geological model was also recommended for the Jason deposit. In the case of both the Tom and Jason deposits, some capping of high grade Pb was also recommended. Investigation of the low Ag grades at Jason was also suggested, and this could be addressed through a re-sampling and assay verification program. CSA Global believe that a re-sampling program of drill core from the Tom and Jason deposits, at the rate of 5-10% of mineralized intervals, is required to validate the assay data from these areas prior to an update of the resource estimates. In addition, several twin diamond drill holes may be required to validate the mineralized intersections and core recoveries from Jason and the Tom East and southeast zones, depending on how reliably historical collars can be located. The metallurgical drill holes from Tom West are considered to have adequately verified the location and grade of the mineralized zone in this area.

There is no recorded production from the Tom or Jason deposits. An exploration adit and a decline, the Tom adit, were developed for underground bulk sampling and exploration purposes at the Tom deposit as described previously.

### ***Geological Setting, Mineralisation and Deposit Types***

#### ***Regional Geology***

The Property occurs within the Selwyn Basin (Figure 3), a deep water marine basin that was initiated off the ancestral coast of North America during the late Proterozoic with deposition continuing through the early to middle Paleozoic. The Selwyn Basin consists of a package of sedimentary rocks beginning with continentally-derived sediments of the late Proterozoic to Cambrian Windermere Supergroup. These units were followed in the late Cambrian to Ordovician by carbonate rocks of the Rabbitkettle Formation, and then by deep water cherts and shales of the Ordovician to early Devonian Road River Group. The Road River Group is in turn overlain by chert, black shales and turbidite sediments of the Devonian to Mississippian Earn Group, the host of the Tom and Jason deposits, as well as other Pb-Zn-Ag and Ba mineralisation in the MacMillan Pass region (Figure 44). Locally, mafic volcanic rocks were erupted during deposition of both the Road River and Earn Groups, and coincide broadly with the formation of Pb-Zn-Ag and barite deposits in the basin. The region was intruded by monzonite plutons during the waning stages of the Jurassic to Cretaceous periods. A detailed stratigraphic description of the MacMillan Pass area is available from Abbott and Turner (1991).

Tectonically, the Selwyn Basin formed in a passive margin setting following a major phase of rifting in the late Proterozoic to Cambrian. Gradual subsidence continued through the Paleozoic until the Antler Orogeny in the Devonian, at which time intracontinental rifting was initiated in a back-arc graben setting in the MacMillan Pass region. Extension faults controlling the exhalation of hydrothermal fluids were active at this time and are characterized by significant thickness variations in stratigraphic units across the structures, consistent with growth faulting, and the presence of sedimentary breccias, mass flow deposits (diamictites) and conglomerates indicative of syn-sedimentary faulting. The region was subject to compression during regional east-west shortening during the Jurassic to Cretaceous, resulting in likely re-activation of normal faults, folding and thrust faulting. The Macmillan Pass region occurs in the Central Block of the MacMillan Fold Belt where south-verging thrust faults and folds may be truncated by strike-slip re-activation of Devonian normal faults (Abbott et al., 1991).

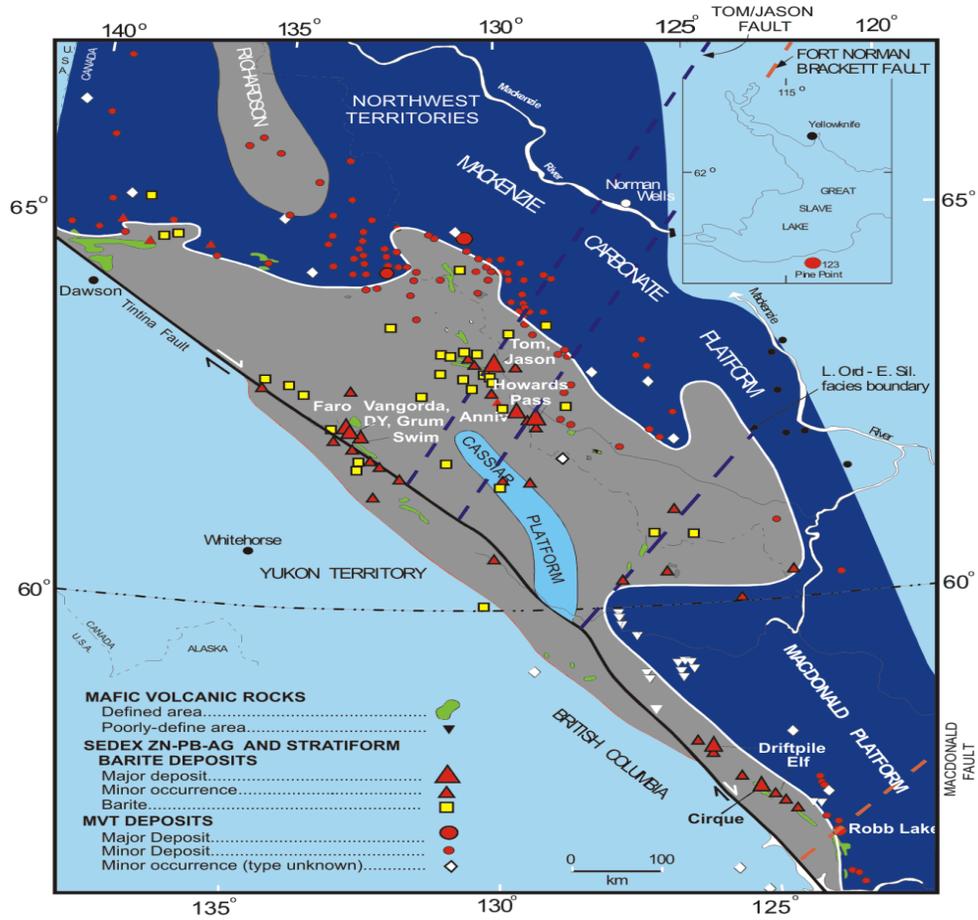


Figure 3. Regional geological setting and zinc-lead-silver deposits of the Selwyn Basin including the Tom and Jason deposits; from Goodfellow (2007).

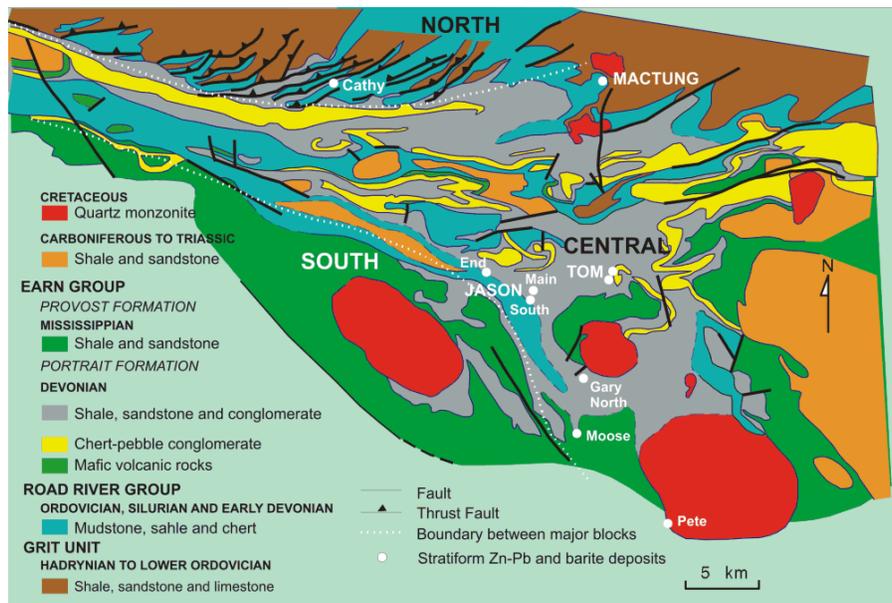


Figure 4. Geology of the MacMillan Pass region from Goodfellow (2007).

### ***Prospect and Local Geology***

The Tom deposit is hosted by the Portrait Lake Formation of the Devonian Earn Group. Specifically, sulphide mineralisation occurs within an informal unit called the Tom Sequence. The Tom Sequence is characterised by abrupt changes in sedimentary facies and unit thickness, demonstrating the influence of syn-sedimentary growth faulting. It consists of well banded carbonaceous and radiolarian chert, with occasional sandier intervals, barite nodules and pyrite laminae. It overlies sandy to silty laminated shales and siltstones of the MacMillan Pass Member which are interpreted to have been deposited by deep water turbidites (Goodfellow, 1991). The shales and siltstones are interbedded with occasional detrital chert layers containing chert pebble conglomerates, and with mixed clast diamictite, both indicative of submarine slumping near syn-sedimentary growth faulting. The Tom Sequence is unconformably overlain by fine grained clastic rocks of the informal Itsi Member. The sequence has been folded about a steeply south to southeast plunging upright anticline. The Tom Sequence is well exposed near the Tom deposit.

The Jason deposit is hosted by a Devonian sequence disrupted by the Hess Fault and folded into a series of “upright tight west-trending, shallowly east-plunging folds” (Turner, 1991). The position of the Jason deposit is controlled by the location of the Jason Fault, a syn-sedimentary growth fault that brings older rocks of the Road River Group and lower Portrait Lake Formation of the Earn Group into contact with the MacMillan Pass Member and a stratigraphic package considered to be the lateral equivalent of the Tom Sequence. The latter contains well developed sedimentary breccias, conglomerates and mass flow deposits (diamictites) that thicken towards the position of the Jason Fault, consistent with syn-sedimentary growth fault movement. Bedrock exposure is good within the alpine areas, but the valley bottoms and walls at lower elevations are concealed by a blanket of till that has inhibited previous exploration.

### ***Regional Mineralisation***

The Selwyn Basin is one of the most productive basins for SEDEX zinc-lead-silver deposits in the world. The basin hosts 12 large deposits including the Tom and Jason deposits, the subject of the Report (Figure 3). Past producers were Faro (aka Anvil), Grum and Vangorda. The Howards Pass deposit (aka Selwyn) is currently one of the world’s largest undeveloped zinc deposits. SEDEX mineralisation of the Selwyn Basin occurs in four main districts of different ages: Anvil/Faro (Cambrian), Howards Pass/Selwyn (Silurian), Gataga/Cirque (Late Devonian) and MacMillan Pass/Tom-Jason (Late Devonian). Synchronous and genetically related Mississippi Valley Type zinc-lead mineralisation occurs in the carbonate platforms along the east side of the Selwyn Basin (Figure 3).

### ***Property Mineralisation***

#### *Tom Deposit*

Zinc-lead-silver-barite mineralisation at the Tom deposit varies from well laminated and stratiform (parallel to sedimentary layering) to a brecciated stockwork zone adjacent to the Tom normal fault. The Tom West and Tom East Zones, both of which are exposed at surface, are interpreted to have formed one continuous lens prior to folding of the Tom Sequence, whereas the Southeast Zone is interpreted to have formed in a separate sub-basin to the main graben structure hosting the Tom West and Tom East Zones, although all three zones have been affected by folding.

The Tom West Zone dips 60° to the southwest, has a strike extent of approximately 1km and extends up to 400m down dip. It is about 40m thick at its widest and breaks into two discrete layers in the centre. The highest-grade portion of the Tom West Zone occurs along the southern portion of the zone where Pb+Zn grades exceed 10%. The Tom West Zone hosts the bulk of the historical resource at the Tom deposit.

The Tom East Zone occurs near the hinge of the anticline that has folded the originally planar deposit, and which plunges northward in this area. It consists of a series of fault-bounded pods of interbedded sphalerite, galena, barite and chert.

The Tom Southeast Zone is not exposed at surface, and consists of a tabular, stratiform body 0.5m to 6m thick with a strike length of approximately 400m and a down-dip extension of at least 350m dipping 60-70° to the east. It is located near the nose of the southeast-plunging Tom anticline on its eastern limb. Mineralisation consists of finely laminated sphalerite, galena, pyrite and black cherty mudstone.

#### *Jason Deposit*

The Jason Main Zone is located on the northern limb of the east-plunging Jason syncline, while the Jason South Zone occurs on the southern limb. The South Zone consists of two separate horizons whereas the Main zone is defined by a single

horizon.

### ***Deposit Types***

The Tom and Jason deposits are examples of stratiform, sediment-hosted, exhalative (“SEDEX”) Zn-Pb-Ag-Ba deposits. Historically the term SEDEX was first used in a report describing the zinc-lead-silver deposits of the Selwyn Basin by Carne and Cathro (1982) and since then the term has been used to describe these deposits worldwide. SEDEX deposits formed in rift fault basins primarily in the late Paleoproterozoic and in the early Phanerozoic, with typical grades of 10% combined Pb+Zn in producing mines. Mineralisation is interpreted to have formed at or close to the seawater-sediment interface either proximal or distal to submarine exhalative vents localized along syn-sedimentary (growth) faults. The more vent distal deposits are therefore largely stratiform in nature in that the mineralized zones are concordant with sedimentary layering, whereas proximal deposits show more complex metal zonation and replacement textures. Proximal deposits are more closely linked spatially with syn-sedimentary feeder faults. A clear understanding of structural geology and stratigraphy are therefore important aspects of exploration for SEDEX mineralisation. Metal ratios, such as Ag/Pb, Pb/(Pb+Zn), Cu/((Zn+Pb), Zn/Fe and Zn/Ba increase towards the feeder faults providing a vector towards the central and potentially higher grade parts of the hydrothermal system. Both the Tom and Jason deposits are proximal SEDEX deposits (Goodfellow, 2007).

Other important guides to exploration for SEDEX mineralisation include (after Goodfellow, 2007):

- the presence of footwall feeder zones involving silicification of the footwall sedimentary package, brecciation, veining and trace element enrichments (Cu, Co, Ni, Mo, As, Sb, Zn, Cd, Pb and Hg);
- laterally extensive stratigraphic horizons equivalent to the main deposit lens with elevated Zn, Cd, As and Hg;
- hanging-wall alteration indicative of a waning hydrothermal convection system, characterised by elevated Ba, Zn and pyrite enriched in Co, Ni and Cu;
- elevated total organic carbon, P and Zn in sediments on a regional scale indicative of deep water, reduced (anoxic) marine conditions;
- the presence of pyrite and/or pyrrhotite in vent complexes that may be detectable by electrical and/or electromagnetic geophysical exploration methods; and
- positive gravity anomalies that may be directly indicative of massive sulphide concentrations at depth.

Many of the exploration guides described in this section were developed through extensive research into the Tom and Jason deposits, as well as into other SEDEX deposits found within the Selwyn Basin. Much of this research was carried out by the Geological Survey of Canada (“GSC”) prior to 1991. There has been little in the way of meaningful exploration work carried out on the Tom and Jason Properties since this research was completed and many of the concepts developed by the GSC have not yet been tested by modern exploration.

### ***Exploration***

The Issuer has not yet conducted any exploration on the Property. The Author makes recommendations for an extensive work program to be carried out by the Issuer.

### ***Interpretation and Conclusions***

The Tom and Jason Zn-Pb-Ag deposits are in the MacMillan Pass area of western Yukon near the border with the Northwest Territories. Access to the site is by seasonal gravel road or by air, and there is minimal infrastructure available in the region.

Tom and Jason are proximal vent SEDEX deposits formed during Devonian rifting activity in the Selwyn Basin. They were subsequently folded during the transition of the Pacific margin of North America from a passive to convergent plate margin. SEDEX deposits are major sources of Pb and Zn globally. Although no SEDEX deposits in the Selwyn Basin are currently in production, the large Anvil SEDEX deposits northwest of Tom-Jason, were a major producer of zinc, lead and silver in the 1980s and the Selwyn (Howards Pass) SEDEX deposit southeast of Tom Jason is one of the world’s largest undeveloped SEDEX zinc-lead-silver resources.

The Tom and Jason properties have undergone a significant amount of historical exploration work commencing with the discovery of the Tom West Zone in 1951. By the early 1990s 128 drill holes were completed on the Jason property for a total of 37,924m and 201 drill holes were completed on the Tom property for a total of 31,672m. In addition, an adit with approximately 3,423m of underground development, including a spiral decline, was put into the Tom deposit to assist

exploration and bulk sampling. Exploration effectively ceased on the properties after 1992. Since then the GSC released extensive information on the geology, stratigraphy and Pb-Zn-Ba mineralisation of the MacMillan Pass region which is available to guide future exploration in the area. There has been minimal modern exploration on the properties since 1992.

Hudbay commissioned a mineral resource estimate in 2007 that reported a total of 6.43Mt indicated resources at both Tom and Jason grading 6.33% Zn, 5.05% Pb and 56.55g/t Ag, and a total of 24.55Mt inferred resources grading 6.71% Zn, 3.48% Pb and 33.85g/t Ag. *CSA Global has done insufficient analysis to confirm these resource estimates as compliant with NI43-101; and as such CSA Global and the Issuer are treating them as historical resources.*

Hudbay briefly recommenced exploration in 2011 with the drilling of 11 new diamond holes for a total of 1,823m. These holes were drilled for metallurgical testing and in-fill purposes in the Tom West Zone. The five metallurgical holes were twin holes that verify historical intersections.

Issues impacting on the eventual economic development of the Tom and Jason deposits include the remoteness of the location and a lack of infrastructure except for the access road which will need upgrading. Uncertainties associated with ongoing Native land claim negotiations and as such unresolved eventual title remain a risk for further development of the properties although this does not prevent the Issuer from carrying out exploration work on the Property.

CSA Global considers the Tom and Jason Project to be properties at an advanced stage of exploration. CSA Global concludes that the Tom and Jason Project warrants additional expenditures to verify historical drill results at the known mineralised zones and to explore for additional high-grade mineralisation on the Property.

### ***Recommendations***

A new phase of modern exploration is warranted at the Tom and Jason Project. The main objectives of the recommended work program are to upgrade the technical database so that a new NI 43-101 compliant mineral resource may be estimated for both the Tom and Jason deposits and to carry out exploration work toward discovery of additional high-grade mineralisation.

This new phase of exploration will be assisted by the substantial work undertaken by the GSC after the earlier historic exploration. The focus of this exploration should be the identification of additional mineralisation with an emphasis on defining high-grade resources. This would be achieved through refinements of the geological/ mineralisation models, mapping, geochemical sampling, drilling and geophysics. At the same time, the existing substantial historical drill hole database should be verified through a systematic re-sampling program of mineralised intervals in archived drill core, accompanied by a comprehensive QAQC program. The locations of historical drill collars should be re-surveyed. Additional twin holes may need to be drilled at both the Tom and Jason deposits to verify the position of mineralisation in the current coordinate system NAD 83 UTM Z9 if the re-surveying of historical drill collars is deemed insufficient to determine the precise location of mineralized intervals. This verification work as well as mapping and other field work should lead to the development of new geological models for both deposits that can form a guide for further exploration.

A budget for the 2017 field season of C\$700,000 is proposed as detailed in Table 2. The budget assumes that existing tracks and a fording at the site of the former bridge across the South MacMillan River can be used to move a drill rig into position. Also included in the budget is scope for an aerial survey of the Property in order to obtain an accurate digital elevation model ("DEM"). A substantial geochemical budget has been included for a program of systematically re-sampling drill core to verify historical assays.

It is the opinion of the Author that the Property is of sufficient merit that the recommended budget as outlined represents a worthwhile and sensible work program if carried out by qualified competent personnel. The project manager may make small adjustments to this program and budget as circumstances require during the work.

**Table 2. Proposed budget for Tom and Jason exploration**

<b>Expense Category</b>	<b>Estimates</b>
Camp Management & Logistics	\$120,000
Geoscience equipment / Supplies / Consumables	\$70,000
General Transport & Shipping	\$20,000
Diamond Drilling (2,000m)	\$320,000

Geochemical Analyses	\$40,000
Metallurgical Tests	\$25,000
Aerial Topographic Survey	\$30,000
Surveying	\$15,000
Contractor Services	\$50,000
Project Air Support	\$10,000
<b>Total :</b>	<b>\$700,000</b>

### USE OF PROCEEDS

#### Proceeds and Funds Available

We estimate we will have the following minimum net funds available to us following closing of the Offering, assuming none of the \$525,000 Over-Allotment Option is exercised, and the Agent's Commission is paid in cash:

Source of Funds	Funds
Gross Proceeds of the Offering <sup>1</sup>	\$3,500,000
Less: Agent's Commission <sup>2</sup>	(\$210,000)
Agent's Corporate Finance Fee	(\$50,000)
Remaining Offering Costs <sup>3</sup>	(\$144,750)
Net Proceeds of the Offering	\$3,095,250
Working Capital as of April 30, 2017 <sup>4</sup>	\$455,597
<b>Net Funds Available</b>	<b>\$3,550,847</b>

1. Assumes none of the \$525,000 Over-Allotment Option is exercised. If the Over-Allotment Option is exercised, the proceeds will be added to unallocated working capital.
2. Assumes the full amount of the Agent's Commission is paid in cash.
3. Total remaining cash expenses of the Offering are estimated as audit - \$7,500; legal - \$40,000; TSXV filing fees - \$26,250; Agent's expenses - \$55,000; Securities Commission filing fees - \$6,000; and miscellaneous costs - \$10,000.
4. Includes \$566,927 of cash and current assets, and \$31,808 of current payables.

#### Principal Purposes

We intend to use our available funds as follows:

Principal Purpose	Funds
Option Payment to Hudbay upon completion of the IPO pursuant to the Option Agreement	\$150,000
Recommended work program on the Property per the Report	\$700,000
Option Payment to Hudbay upon exercise of the option to acquire the Property	\$750,000
General and Administrative Expenses <sup>1,2</sup> (12 months)	\$258,000
Unallocated Working Capital <sup>3</sup>	\$1,692,847
<b>Total:</b>	<b>\$3,550,847</b>

1. Our projected General and Administrative expenses for the 12 months after the Closing Date are:
 

• Office & Administration	\$ 2,500 per month
• Professional Fees (legal & audit)	\$2,500 per month
• Management Fees	\$16,000 per month
• Miscellaneous	<u>\$ 500 per month</u>
Total:	\$21,500 per month
2. Management fees of \$10,000 per month will be paid to Brandon Macdonald in his capacity as CEO; and fees averaging \$6,000 per month paid for CFO and Corporate Secretary services.
3. Subject to the success of the initial exploration work program recommended in the Report, we anticipate having available funds to carry out additional exploration work on the Project, which will allow us to incur sufficient exploration expenditures to enable us to exercise the option pursuant to the Property Option Agreement. Such additional exploration work will be determined following completion of the work program set out in the Report, but many include the development of a new NI 43-101 compliant mineral resource estimate for both the Tom and Jason deposits and to carry out exploration work toward discovery of additional mineralisation.

We intend to use some of our unallocated working capital for additional work on the Property, subject to the results of the recommended exploration program in the Report, and to investigate other zinc property opportunities. There is no assurance we will be successful in identifying opportunities, or that our working capital will be sufficient to acquire any such interest.

**We intend to spend the funds available to us as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.** If such event occurs during distribution of the securities offered under this Prospectus, we may have broad discretion in the application of such net proceeds and, if required, an amendment to this Prospectus will be filed. Pending utilization of the net proceeds derived from the Offering, we intend to invest the funds in short-term, interest-bearing obligations with a major Canadian financial institution.

**We have a history of negative cash flow and losses, and we do not expect that to change in the short term.** All of our operations will be funded by the proceeds from this Offering. Our net available funds will be sufficient to fund our operations for a minimum of 12 months.

### **Business Objectives**

Our immediate business objective is to complete the Offering and obtain a listing on the Exchange. The aggregate remaining costs of completing these objectives are estimated at \$144,750 (including legal costs, auditor fees, filing fees for the Exchange and the Securities Commissions, and expenses of the Agent, but excluding Agent's Commissions and the Agent's Corporate Finance Fee).

We intend to make the next option payment to Hudbay of \$150,000; and carry out the recommended exploration program described in the Report which is estimated to cost \$700,000. If the results of this initial exploration program warrant continued exploration, it is intended that additional exploration will be carried out at an additional cost to be determined, which we expect to fund through use of our unallocated working capital.

Subject to success of the exploration program recommended in the Report, we intend to develop a new NI 43-101 compliant mineral resource estimate for both the Tom and Jason deposits and to carry on additional exploration with the objective to expand the scope of mineralisation within the Project. At a point in time following 12 months from the Listing Date, we expect to exercise our option with Hudbay and acquire the Project by paying the last \$750,000 cash payment and issuing 15% of our then outstanding Shares (determined on a fully diluted basis) to Hudbay. We expect to be able to fund the above expenses using our unallocated working capital, however circumstances may require that we raise additional financing to pay for such costs. No assurance can be given that we will be able to raise additional financing on terms acceptable to us, or at all, when the need arises.

### **Milestones**

Our business objective of completing the Offering under this Prospectus will occur on the Closing Date; and our business objective of listing on the Exchange will occur on the Listing Date. We will make the next \$150,000 option payment to Hudbay on or before the Closing Date. The initial \$700,000 recommended exploration field program is expected to take up to four months to complete (June 2017 to September 2017), and the results will take an additional two months to compile.

## **DIVIDENDS OR DISTRIBUTIONS**

We have not paid dividends since our incorporation. While there are no restrictions precluding us from paying dividends, we have no cash flow, and we anticipate using all available cash resources toward our stated business objectives. As such we do not anticipate the payment of dividends in the foreseeable future. At present, our policy is to retain earnings, if any, to finance our business operations. The payment of dividends in the future will depend upon, among other factors, our earnings, capital requirements and operating financial conditions.

## **SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS**

*The following Management Discussion and Analysis (“MD&A”) of the Company’s financial statements has been prepared by management in accordance with the requirements of National Instrument 51-102 as at the date of this Prospectus and includes financial information from, and should be read in conjunction with, the audited financial statements of the Company for the period from incorporation to December 31, 2015 and the audited financial statements for the 12 months ended December 31, 2016, and the notes thereto, appearing elsewhere in this Prospectus, as well as the disclosure contained throughout this Prospectus.*

The following MD&A is as of December 31, 2016 unless otherwise stated.

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.

All the financial information in this MD&A and all dollar amounts in the tables, including comparatives, are expressed in Canadian dollars, unless otherwise noted.

This document contains forward-looking statements. Please refer to “*Note Regarding Forward-Looking Statements*” in the Prospectus.

### **Description of Business**

The Company is a private company with plans to list on the TSXV. The Company is an exploration-stage company holding an option to acquire one mineral property in the Yukon. To date, equity financings have provided the main source of financing.

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

### **Overall Performance**

The Company was incorporated on October 20, 2015 and commenced business at that time. Our business is to operate as a mineral resource exploration and development company initially focused on the acquisition, funding and exploration of the Project, and obtaining a listing on the Exchange. To those ends, we have (i) entered into the Property Option Agreement to acquire all of Hudbay’s interest in the Property; (ii) raised sufficient funds to fund our initial obligations under the Property Option Agreement and the costs of going public; (iii) commissioned the Report on the Property; and (iv) engaged the Agent to assist in our application to the Exchange for a listing of our Shares and to assist in the Offering. As of the date of this Prospectus, we have raised an aggregate of \$815,500 through the sale of our securities.

### **Significant Acquisitions and Dispositions**

Our only significant acquisition to date has been entering into the Property Option Agreement.

## Selected Financial Information

The following table summarizes selected financial data from our audited financial statements for the period from incorporation on October 20, 2015 to December 31, 2015, and our audited financial data for the 12 months ended December 31, 2016, and should be read in conjunction with such statements and related notes, contained in this Prospectus:

Item	Fiscal Year Ended December 31, 2016	Period from October 20, 2015 (date of incorporation) to December 31, 2015
Revenues	\$ nil	\$ nil
Expenses	(\$188,639)	(\$13,521)
Net Loss	(\$188,639)	(\$13,521)
Current Assets	\$78,177	\$181
Exploration and Evaluation Assets	\$101,971	\$ nil
Total Assets	\$180,148	\$181
Current Liabilities	\$31,808	\$12,902
Working Capital (deficit)	\$46,369	(\$12,721)
Shareholders' Equity	\$148,340	(\$12,721)
Number of Shares Outstanding at Year End	5,700,000	3,200,000

### Additional Disclosure for Venture Issuers Without Significant Revenue

As the Company has had no revenue from operations since incorporation, the following is a breakdown of the material costs incurred since the Company's incorporation on October 20, 2015 to December 31, 2016:

- (a) Exploration Expenditures: We incurred an aggregate \$39,675 toward due diligence investigations regarding the Property prior to signing the Property Option Agreement and the costs of the Report; all of which was expensed and is reflected as such on our Statement of Operations and Comprehensive Loss; and
- (b) General and Administrative Expenses: We incurred aggregate general and administrative expenses of \$62,485, comprising of (i) \$55,296 of professional fees including \$37,796 in legal fees; (ii) \$3,750 of management fees paid to a private company controlled by our CEO; and (iii) \$3,439 for miscellaneous other expenses.

As of the date of this Prospectus, the Company is not a reporting issuer in any jurisdiction.

### Results of Operations

During the period from October 20, 2015 (date of incorporation) to December 31, 2015, the Company incurred a net loss of \$13,521, due primarily to due diligence work on the Project.

During the year ended December 31, 2016, the Company incurred a net loss of \$188,639, due primarily to professional fees \$45,171, and Property investigation and evaluation \$36,279. To date the Company has not expended any funds toward exploration of the Project.

As a non-reporting issuer, the Company has not prepared any interim or quarterly financial statements since its inception.

### Liquidity and Capital Resources

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

The Company manages its capital structure and makes adjustments to it 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.

The Company is not subject to externally imposed capital requirements as at December 31, 2016.

### ***Working Capital***

As of December 31, 2016 we had positive working capital of \$46,369 (working capital deficit of \$12,721 as at December 31, 2015) including \$72,214 of cash and \$31,808 of accounts payable. As at April 30, 2017 we had working capital of \$455,597.

### ***Cash***

On December 31, 2016, we had cash of \$72,214. Management of cash balances is conducted in-house based on internal investment guidelines. Cash is deposited with major Canadian financial institutions. Cash required for immediate operations is held in a checking 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 twelve months ended December 31, 2016 was \$75,690 (\$800 for the period from incorporation on October 20, 2015 to December 31, 2015). Cash was mostly spent on legal fees, management fees, due diligence work, the Report and general and administrative costs.

### ***Cash Used in Investing Activities***

Total cash used in investing activities during the twelve months ended December 31, 2016 was \$101,796 (\$nil at December 31, 2015), related to Property acquisition payments and related costs.

### ***Cash Generated by Financing Activities***

Total net cash generated by financing activities during the 12 months ended December 31, 2016 was \$249,700 (\$800 for the period from incorporation on October 20, 2015 to December 31, 2015), which consisted of funds obtained through the issuance of 5,700,000 Shares and subscriptions of \$80,000 received in advance.

### ***Requirement of Additional Equity Financing***

We have relied primarily on equity financings for all funds raised to date for our operations. We will need more funds to explore and develop the Property in the future. Until we start generating profitable operations from exploration, development and sale of minerals, we intend to continue relying upon the issuance of securities to finance our operations and acquisitions.

### ***Outstanding Share Data***

Our authorized share capital consists of an unlimited number of Common Shares without par value.

At December 31, 2016, there were 5,700,000 Shares issued and outstanding (3,200,000 at December 31, 2015), which were issued for aggregate consideration of \$170,500.

As of the date of this Prospectus there were 9,420,000 Shares issued and outstanding.

### ***Critical Accounting Estimates***

Our significant accounting policies are presented in Note 4 of the audited financial statements for the period ended December 31, 2016. Note 4 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*

Exploration and evaluation assets

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties. As the Company has not initiated work on its Project, it is not in a position to determine the circumstances pertaining to future events in this regard.

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.

Income taxes

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

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

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

*Financial instruments*

Financial assets

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

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

*Loans and receivables* – These assets are non-derivative financial assets with fixed or determinable payments that are not

quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

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

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

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

### Financial liabilities

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

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

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

The Company has classified its cash as fair value through profit and loss. The Company’s receivables are classified as loans and receivables. The Company’s accounts payable and accrued liabilities are classified as other financial liabilities. Refer to Note 12 for additional 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.

### ***New standards and interpretations not yet adopted***

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

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

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

### ***Transactions with Related Parties***

For the period from incorporation on October 20, 2015 to December 31, 2016, we have had no related party transactions except as disclosed in this Prospectus.

### ***Additional Disclosure for Junior Issuers***

The Company has had negative cash flow since its inception, and it expects to continue to have negative cash flow for the foreseeable future. We expect the net proceeds of the Offering, together with our currently available cash on hand will be sufficient to fund our operations for at least 12 months following the Closing Date. During that 12 month period, we estimate our total operating costs required to achieve our stated business objectives will be \$1,858,000. See “Use of Proceeds” above. We do not anticipate incurring any material capital expenditures during that 12 month period.

## **DESCRIPTION OF SECURITIES DISTRIBUTED**

The securities being distributed by this Prospectus consist of:

- (a) up to 7,000,000 Shares with provision for an additional 1,050,000 Additional Shares;
- (b) up to 483,000 Agent’s Commission Shares (assuming no sales are made to subscribers on the President’s List, the Agent exercises the Over-Allotment Option in full and the Agent elects to receive the Agent’s Commission in Commission Shares); and
- (c) up to 483,000 Agent’s Warrants (assuming no sales are made to subscribers on the President’s List, and the Agent exercises the Over-Allotment Option in full).

All of the Offered Shares and the Qualified Compensation Securities being issued to the Agent are qualified by this Prospectus. See “Plan of Distribution.” for details.

### **Common Shares**

We have one class of shares, being common shares (the “Shares”) without par value. The Company is authorized to issue an unlimited number of Shares, of which as of the date hereof 9,420,000 Shares are issued and outstanding as fully paid and non-assessable. We are seeking to sell and distribute 7,000,000 Shares by way of the Offering with an Over-Allotment Option for an additional 1,050,000 Additional Shares.

Our Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of our Shares, all of which rank equally as to all benefits which might accrue to the holders of the Shares. All holders of Shares are entitled to receive a notice of any general meeting to be convened by us. At any general meeting, subject to the restrictions on joint registered owners of Shares, every shareholder has one vote for each Share of which he is the registered owner. Voting rights may be exercised in person or by proxy.

The holders of Shares are entitled to share pro rata in any: (i) dividends if, as and when declared by our directors, and (ii) such of our assets as are distributable to them upon liquidation of the Company. The Shares issued and outstanding upon completion of the Offering will be fully paid and non-assessable. Rights pertaining to the Shares may only be amended in accordance with applicable corporate law.

### **Securities Issuable to the Agent**

On the Closing Date, we will issue Agent’s Warrants, and at the election of the Agent, Commission Shares, to the Agent. The Agent’s Warrants and Commission Shares, to the extent the same are Qualified Compensation Securities, will be qualified by this Prospectus and be free of any resale restrictions.

The certificates representing the Agent's Warrants will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Agent's Warrant Shares to be issued on exercise of such warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Company's Shares, the payment of stock dividends, and corporate reorganization of the Company. The issue of Agent's Warrants will not restrict or prevent us from obtaining any other financing, or from issuing additional securities or rights, during the period within which the warrants may be exercised.

## **CONSOLIDATED CAPITALIZATION**

The following table summarizes our share capitalization; and should be read in conjunction with the financial statements appearing elsewhere in this Prospectus:

Designation of Security	Amount Authorized	Amount Outstanding at December 31, 2016	Amount Outstanding at date of this Prospectus	Amount Outstanding upon Completion of the Offering <sup>1</sup>
Common Shares	Unlimited	5,700,000	9,420,000	17,873,000
Agent's Warrants	n/a	nil	nil	403,000
Stock Options	n/a	nil	1,380,000	1,380,000

1. Assumes the issuance of: (i) 7,000,000 Shares under the Offering (of which 2,000,000 are sold to persons on the President's List); (ii) 1,050,000 Additional Shares upon the exercise in full of the Over-Allotment Option; and (iii) 403,000 Agent's Commission Shares in lieu of cash commission.

## **OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES**

### **Summary of Stock Option Plan**

Incentive stock options are governed by our stock option plan (the "Plan"). The purpose of the Plan is to offer to our directors, officers, employees and consultants (and those of our affiliates) the opportunity to acquire a proprietary interest in the Company, thereby providing an incentive to such persons to promote the best interests of the Company, and to provide us with the ability to attract qualified persons as directors, officers and employees.

The Plan is administered by our directors. The material terms of the Plan are as follows:

1. The aggregate maximum number of options which may be granted under the Plan at any one time is 10% of the number of Shares the Company has outstanding at the time of grant.
2. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years, with the exception of any options extended due to a Blackout Period (as defined in the Plan).
3. The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company's Shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSXV to a minimum of \$0.05 per Share.
4. The board of directors may impose vesting periods on any options granted. In accordance with Exchange policies, stock options granted to employees or consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.
5. All options will be non-assignable and non-transferable (except upon the death of an option holder, in which case any outstanding options may be exercised by the option holder's successors).
6. If an option expires or terminates for any reason without having been exercised in full, the un-purchased Shares

subject thereto shall again be available for the purposes of the Plan.

7. The board of directors shall not grant options to any one person in a 12 month period which will, when exercised, exceed 5% of the issued and outstanding Shares of the Company (calculated at the date such options are granted); or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding Shares of the Company, calculated at the date such options are granted. Options granted to Eligible Charitable Organizations (as that term is defined in the Plan) shall not at any time exceed 1% of the issued and outstanding Shares of the Company, calculated at the date such options are granted.
8. If the option holder ceases to be a director of the Company (other than by reason of death, disability or termination for just cause), then the option granted shall expire on no later than the 30<sup>th</sup> day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan. If the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Company (other than by reason of death or termination for just cause), then the option granted shall expire on no later than the 30<sup>th</sup> day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Plan. If the option holder's position as an director, officer, employee or consultant is terminated for just cause, then the option granted shall expire the date of termination for just cause.
9. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders or any increase in the number of Shares reserved for issuance pursuant to options previously granted, within a 12 month period, exceeding 10% of the Company's issued Shares at the time of the grant of the options; (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued Shares; and (iv) any individual option event that would result in the limitations set out in items (ii) or (iii) being exceeded.
10. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

As of the date hereof, there are an aggregate of 1,380,000 stock options outstanding, all having the following rights and restrictions:

- exercisable at \$0.50 per Share;
- exercisable to and until April 26, 2022; and
- vest as to 20% upon six months following the Listing Date , and an additional 20% every six months thereafter.

The following summarizes the holders of our outstanding stock options:

<b>Option Holders</b>	<b>Number of Options</b>
Executive Officers (3)	480,000
Directors (4)	720,000
Consultants (4)	180,000

### **Agent's Warrants**

Pursuant to the terms of the Agency Agreement, the Agent will be granted the Agent's Warrants to acquire Agent's Warrant Shares at a price of \$0.50 per Agent's Warrant Share for a period of 24 months from the Listing Date.

### **Hudbay Shares**

Pursuant to the Property Option Agreement, upon the Company's exercise of the option to acquire the Property, we are obligated to issue to Hudbay such number of Shares as is equal to 15% of the then issued and outstanding Shares of the Company on a fully diluted basis, calculated as of the date the Company makes the final \$750,000 cash payment to Hudbay as contemplated under the Property Option Agreement to exercise the option. See "Description of the Company's Business –

Significant Acquisitions and Dispositions”. In connection with the conditional approval for the listing of the Shares on the TSXV, the Company agreed with the TSXV that regarding the Shares issuable to Hudbay:

- (a) the number of Shares will not exceed that calculated as 65% of the Company’s issued and outstanding Shares as of the Closing Date;
- (b) the Shares will be subject to resale restrictions expiring four months and a day following the date of issue; and
- (c) the Shares will become subject to the Escrow Agreement, to be released retroactive from the Listing Date.

### Performance Shares

We have reserved for issuance 4,000,000 Performance Shares to be issued, as to 1,000,000 Shares to each of Brandon Macdonald, John Robins, Richard Hajdukiewicz and George Gorzynski (the “Founders”), as compensation for management achieving certain milestones which reflect additional value to the Project and to shareholders. Specifically, each of the Founders will be issued:

1. 300,000 Shares upon the preparation of a positive economic study of the Project (or any part of the Property); and
2. 300,000 Shares upon the Issuer demonstrating increased mineral resources within the Property by at least 50% over the historical mineral resources as stated in that 2007 technical report on the Property prepared by Hudbay (whether by additional tonnage or increased zinc+lead+silver content at a similar or higher grade); and
3. The balance of the 1,000,000 Performance Shares which have not been previously issued upon:
  - (a) the preparation of a positive Pre-Feasibility Study of the Property (or any part of the Property); or
  - (b) the effective disposition of greater than 50% of the Property or 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.

All Performance Shares issued will become subject to the Escrow Agreement, to be released therefrom retroactive from the Listing Date.

### PRIOR SALES

Since the date of our incorporation, the following Common Shares or securities convertible or exercisable into Common Shares have been issued:

Date	Number and Type of Securities	Issue / Exercise Price Per Security	Aggregate Issue / Exercise Price	Nature of Consideration Received
October 20, 2015	3,200,000 Shares <sup>1,2</sup>	\$0.00025	\$800	cash
September 20, 2016	(1,200,000) Shares <sup>3</sup>	\$0.00025	\$(300)	n/a
October 24, 2016	2,000,000 Shares <sup>2</sup>	\$0.01	\$20,000	cash
October 25, 2016	500,000 Shares <sup>2</sup>	\$0.06	\$30,000	cash
January 5, 2017	3,100,000 Shares <sup>2</sup>	\$0.10	\$310,000	cash
February 6, 2017	1,680,000 Shares <sup>4</sup>	\$0.25	\$420,000	cash
March 3, 2017	140,000 Shares <sup>2</sup>	\$0.25	\$35,000	cash
April 26, 2017	1,380,000 Options <sup>5</sup>	\$0.50	\$690,000	n/a
<b>Totals</b>	<b>9,420,000 Shares</b> <b>1,380,000 Options</b>		<b>\$815,500</b> <b>\$690,000</b>	

1. Shares issued to the founders, George Gorzynski and Richard Hajdukiewicz, for nominal consideration.

- All of these Shares are held in escrow under the Escrow Agreement. See “Escrowed Shares” below.
- 1,200,000 Shares issued to the founders were surrendered to the Company for cancellation.
- Of these, 120,000 Shares are held in escrow under the Escrow Agreement. See “Escrowed Shares” below.
- See “Options and Other Rights to Purchase Securities” above.

### **FULLY DILUTED SHARE CAPITAL**

The following table sets out our share capital on a fully diluted basis after closing of the Offering:

Description	No. of Shares	Percentage of Shares
Shares outstanding prior to the Offering	9,420,000	39.82%
Shares issued pursuant to the Offering <sup>1</sup>	8,050,000	34.03%
Agent’s Commission Shares	403,000 <sup>2</sup>	1.70%
<b>Sub-total</b>	<b>17,873,000</b>	<b>75.55%</b>
Agent’s Warrant Shares	403,000 <sup>2</sup>	1.70%
Stock Options	1,380,000 <sup>3</sup>	5.83%
Performance Shares	4,000,000 <sup>4</sup>	16.91%
<b>Total</b>	<b>23,656,000<sup>5</sup></b>	<b>100.00%</b>

- Assumes the Over-Allotment Option is fully exercised.
- Assumes 2,000,000 Shares sold to persons on the President’s List, the Over-Allotment Option is exercised in full and the Agent elects to receive all of its Agent’s Commission in the form of Commission Shares.
- A maximum of 10% of outstanding Shares may be issued under the Stock Option Plan.
- Performance Shares have been reserved for issuance but are only issuable upon the achievement of certain milestones. See “Options and Other Rights to Purchase Securities – Performance Shares”.
- Pursuant to the Property Option Agreement, Hudbay is entitled to receive such number of Shares as is equal to 15% of the Shares of the Company on a fully diluted basis on the date of exercise of the option. For illustration purposes, assuming no further Share issuances after the Offering, the total number of Shares issuable to Hudbay is 3,341,400 Shares.

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTIONS ON TRANSFER**

#### **Escrowed Shares**

National Policy 46 – 201, *Escrow for Initial Public Offerings* (“NP 46-201”), sets out a national escrow regime applicable to initial public distributions. Pursuant to that policy, the Shares held by certain shareholders must be placed in escrow with the Escrow Agent, to be released therefrom over a period of three years. The following table sets forth the aggregate number of securities to be held in escrow following the completion of the Offering:

Designation or Class	Number of Securities Held in Escrow <sup>1</sup>	Percentage of Class upon Completion of Offering <sup>2</sup>
Common Shares	7,860,000	43.97%

- Shares are held in escrow pursuant to the Escrow Agreement. The shareholders subject to escrow are set forth in the table below. Pursuant to the Escrow Agreement the Escrowed Shares will be released from escrow as to 10% upon the Listing Date, with the balance in six equal releases at six month intervals over the 36 months following the Listing Date. The Escrow Agent is Computershare Investor Services Inc. See disclosure below for details of the dates and conditions of release of the Escrowed Shares.

2. Based on there being 17,873,000 Shares outstanding and that none of the escrowed shareholders participate in the Offering.

The following is a list of those shareholders who own Escrowed Shares subject to the Escrow Agreement:

Name and Municipality of Residence	No. of Escrow Shares
Brandon Macdonald <i>Vancouver, B.C.</i>	1,204,000
John Robins <i>Vancouver, B.C.</i>	1,800,000
George Gorzynski <i>North Vancouver, B.C.</i>	1,508,000
Richard Hajdukiewicz <i>New York, NY, USA</i>	1,908,000
Adrian Rothwell <i>North Vancouver, B.C.</i>	20,000
Dan Rogness <i>Port Coquitlam, B.C.</i>	100,000
Other Shareholders <sup>1</sup>	1,320,000
<b>Total</b>	<b>7,860,000</b>

1. Being those Shareholders other than management who paid \$0.10 or less for their Shares.

In addition to the above, all Performance Shares and all Shares issued to Hudbay upon exercise of the option to acquire the Project will become subject to the Escrow Agreement, to be released therefrom retroactive as of the Listing Date.

We are an “emerging issuer” as defined in NP 46-201. Should we become an “established issuer” as defined in NP 46-201, the release of the remaining Escrowed Shares will be accelerated on a retroactive basis such that 25% would have been released on the Listing Date and an additional 25% would have been released every six months thereafter.

Pursuant to the terms of the Escrow Agreement, the Escrowed Shares may not be transferred or otherwise dealt with during the term of the Escrow Agreement except for certain circumstances, including:

- transfers to our continuing or incoming directors and senior officers, subject to the Company’s Board of Directors’ approval;
- transfers to an RRSP or similar trust plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;
- transfers upon bankruptcy to a trustee in bankruptcy; and
- pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow.

The complete text of the Escrow Agreement is available for inspection at the registered and records office of the Company and is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Securities Subject to Resale Restrictions

Exchange policies require that in certain circumstances securities distributed prior to an issuer completing an initial public offering which are sold at a discount to the initial public offering price, will be subject to resale restrictions over and above those imposed by applicable securities legislation. In this instance, a total of 1,820,000 Shares were sold at \$0.25 per Share in February 2017. Of those, 260,000 Shares are subject to the Escrow Agreement. The remaining 1,560,000 Shares are subject to resale restrictions imposed by Exchange policies such that 20% will be released from resale restrictions on the Closing Date and additional 20% will be released every month thereafter for four months.

All of the 1,380,000 stock options outstanding (and any shares issued upon exercise thereof) are subject to resale restrictions expiring August 26, 2017.

Any securities issued to the Agent that are not Qualified Compensation Securities, being those that are not qualified for distribution under this Prospectus, will be subject to a four month hold period commencing from the Closing Date.

### **PRINCIPAL SHAREHOLDERS**

To the knowledge of our directors and officers, the following persons will beneficially own, as of the Closing Date, directly or indirectly, or exercise control or direction over, more than 10% of our Shares:

Name and Municipality of Residence	No. of Shares	Percentage following Closing of the Offering <sup>1</sup>
John Robins <i>Vancouver, B.C.</i>	1,800,000	10.07%
Richard Hajdukiewicz <i>New York, NY, USA</i>	1,908,000	10.68%
<b>Total</b>	<b>3,708,000</b>	<b>20.75%</b>

1. Assumes 17,873,000 Shares outstanding.

### **DIRECTORS AND EXECUTIVE OFFICERS**

#### **Name, Address, Occupation and Security Holding**

The name, province or state and country of residence, and position with the Company, of each of our directors and executive officers are set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under “Management of the Company” following the table.

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed (mm/dd/yy)	Number of Shares and Percentage of Shares at Closing <sup>1</sup>
<b>BRANDON MACDONALD</b> British Columbia, Canada Chief Executive Officer and Director	Exploration Geologist, Finance Consultant, Director of NorthIsle Copper & Gold Inc, and Commander Resources Ltd. CFO and VP of Arcturus Ventures Inc. Former director of Arcturus Ventures Inc., and Montan Mining Corp,	11/28/16	1,204,000 6.74%
<b>JOHN ROBINS</b> British Columbia, Canada Executive Chairman and Director	Businessman: Director of several junior mineral companies – Northern Empire Resources Corp., Kivalliq Energy Corporation, K2 Gold Corporation, Bluestone Resources Inc.	11/28/16	1,800,000 10.07%
<b>RICHARD HAJDUKIEWICZ</b> New York, U.S.A. Director	Consultant to the metals and mining industry. Former Head of North and South American Sales with Deutsche Bank (New York).	11/28/15	1,908,000 10.68%

<b>Name, Position, Province or State and Country of Residence</b>	<b>Principal Occupation or Employment for the Past Five Years</b>	<b>Date Elected or Appointed (mm/dd/yy)</b>	<b>Number of Shares and Percentage of Shares at Closing<sup>1</sup></b>
<b>GEORGE GORZYNSKI<sup>2</sup></b> British Columbia, Canada Director	Geological Engineer; Exploration Consultant, and Director and Officer of several junior mineral companies – IMPACT Silver Corp., Defiance Silver Corp., Tirex Resources, Ltd.	11/28/15	1,508,000 8.44%
<b>ADRIAN ROTHWELL<sup>2</sup></b> British Columbia, Canada Director	Businessman: President and CEO of (private) Kore Mining Ltd. Former Director, Strategy at Goldcorp. Former CFO at Kiska Metals Corporation, NuLegacy Gold Corporation, MBMI Resources Inc, Centurion Metals Ltd, and Garson Gold Corp.	02/14/17	20,000 0.11%
<b>DAN ROGNESS<sup>2</sup></b> British Columbia, Canada Director	Financial Consultant to the mining industry including Platinum Group Metals Ltd. and B2Gold Corp. Former Assistant Treasurer at Teck Resources Limited.	02/14/17	100,000 0.56%
<b>HAN-YING (JESSIE) LIN</b> British Columbia, Canada Chief Financial Officer	Professional Accountant specializing in financial reporting for a number of TSXV listed mining companies including Riverside Resources Inc., Bluestone Resources Inc., Dunnedin Ventures Inc., Great Bear Resources Ltd., and Nickel One Resources Inc.	12/20/16	nil 0%
<b>JEFFREY DARE</b> British Columbia, Canada Corporate Secretary	Corporate Compliance Professional acting as Corporate Secretary to a number of TSXV listed mining companies.	12/20/16	nil 0%

1. Assuming 17,873,000 Shares outstanding on completion of the Offering.
2. Member of the Audit Committee.

The term of office for our directors and members of our committees expires at each annual general meeting. The board of directors after each such meeting appoints our committees for the ensuing year. We currently have one board committee, being an audit committee which presently consists of Adrian Rothwell (Chair), Dan Rogness, and George Gorzynski.

As of the date hereof, our directors and executive officers, including spouses and associates, as a group beneficially own, directly or indirectly, or exercise control or direction over 6,560,000 Common Shares representing 69.68% of the issued and outstanding Common Shares prior to the Offering, and 36.73% of the issued and outstanding Common Shares upon completion of the Offering (assuming 17,873,000 Shares are outstanding).

Commencing upon the Closing Date and continuing until the earlier of Hudbay ceasing to hold at least 10% of the outstanding Shares of the Company or the transfer by the Company of its interests in the Project, Hudbay will be entitled to appoint and maintain one representative to the Company's board of directors, subject to the Hudbay nominee meeting Exchange requirements and any other applicable regulations.

### **Management of the Company**

The following provides additional information regarding our directors and executive officers:

#### **BRANDON MACDONALD, P.Geo., CEO and Director**

Mr. Macdonald, age 39, has been CEO and a director of the Company since November 28, 2016.

Mr. Macdonald is a professional geologist with 20+ years in the mining industry and a diverse experience base including exploration geology worldwide and investment banking in the City of London where he worked in structuring project financings and investments at Macquarie Bank after graduating with an MBA (with Distinction) from Oxford University in 2007. Mr. Macdonald has a long history of mining exploration work in Yukon including zinc projects, and originally hails from the town of Ross River, near the Tom Jason project site.

Mr. Macdonald is an employee of the Company, and, in his capacity as CEO, will dedicate a minimum of 75% of his time to the affairs of the Company. Mr. Macdonald is subject to an employment agreement with the Company which includes non-competition and confidentiality clauses.

**JOHN ROBINS, P.Geo., *Chairman and Director***

Mr. Robins, age 57, has been a director and Executive Chairman of the Company since November 28, 2016.

Mr. Robins is a professional geologist with over 35 years of experience mainly as an independent geologist and entrepreneur. Mr. Robins has been involved in many successful exploration ventures and sat on the board of directors of several exploration companies. Most recently he was Founder, Executive Chairman & Director of Kaminak Gold Corporation which discovered the Coffee Gold Deposits in Yukon and sold the company to Goldcorp for \$520 million. In 2008 Mr. Robins was recognized for his achievements in mining exploration by the Association for Mineral Exploration British Columbia with the H.H. "Spud" Huestis Award. This is recognized as the highest award given for mineral exploration and is awarded to those who have made "a significant contribution to enhance the mineral resources of British Columbia and/or the Yukon Territory, through the original application of prospecting techniques or other geoscience technology."

Mr. Robins is a Named Executive of the Company and in his capacity as Executive Chairman and a Director will dedicate approximately 15% of his time to the affairs of the Company. Mr. Robins is not a party to any written non-competition or confidentiality agreement with the Company.

**GEORGE GORZYNSKI, P.Eng., *Director and Audit Committee Member***

Mr. Gorzynski, age 61, has been a director of the Company since November 28, 2015.

Mr. Gorzynski is co-founder of the Company and a geological engineer with 35 years' experience in exploration and mining company management. He has strong technical, management and leadership skills, and was a key person in the building and managing of several international junior mining and exploration companies. His technical experience ranges from management of large exploration projects in challenging settings to geology field work in isolated locations to oversight of mining operations. Mr. Gorzynski has geological engineering degrees from the University of Toronto (Honours) and University of British Columbia and has worked on a number of zinc projects in British Columbia and Yukon.

Mr. Gorzynski is not an employee of the Company, and in his capacity as director and audit committee member will dedicate 50% of his time to the affairs of the Company. Mr. Gorzynski will provide consulting services to the Company on an invoice basis at industry standard rates for engineers and geologists of his experience and knowledge. Mr. Gorzynski is not a party to any written non-competition or confidentiality agreement with the Company.

**RICHARD HAJDUKIEWICZ, *Director***

Mr. Hajdukiewicz, age 63, has been a director of the Company since November 28, 2015.

Mr. Hajdukiewicz is a co-founder of the Company and has over 35 years' experience in commodity markets including extensive experience in financing, trading and risk management. He was responsible for the zinc concentrate feeds to Noranda's zinc smelter located at Valleyfield, Quebec as well as marketing of zinc and lead concentrates in North America. He later headed up and grew Noranda's global precious metals secondary business which was involved in precious metals concentrates, dore and scrap. During his 25 year tenor on Wall Street, Mr. Hajdukiewicz assisted in expanding Goldman Sachs' metals activities into base metals including zinc and lead. He headed up sales and trading activities at several other Wall Street investment banks including HSBC and others. Mr. Hajdukiewicz has advised senior managements at many mining and metals companies with the strategic direction of their marketing and risk management strategies for precious and base metals. He graduated from the University of Toronto in Metallurgical Engineering and is currently a consultant to the metals and mining industry.

Mr. Hajdukiewicz is not an employee of the Company and in his capacity as director will only dedicate approximately 10% of his time to the affairs of the Company. Mr. Hajdukiewicz is not a party to any written non-competition or confidentiality agreement with the Company.

**ADRIAN ROTHWELL, CPA, CA, *Director and Chair of the Audit Committee***

Mr. Rothwell, age 45, has been a director of the Company since February 14, 2017.

Mr. Rothwell has worked in the mining industry for over 25 years and is experienced in regulatory and financial reporting, project and industry analysis, oversight and corporate governance roles. Mr. Rothwell is currently President and Chief Executive Officer of Kore Mining Ltd, a private mining venture with gold projects in the western United States. Most recently, he was the Director, Strategy at Goldcorp Inc., and previously acted as Chief Financial Officer for many publicly listed companies, including NuLegacy Gold Corp, MBMI Resources Inc., Garson Gold Corp. (acquired by QMX Gold Corp.), Centurion Minerals Ltd and Kiska Metals Corp. (acquired by AuRico Metals Inc.), all listed on the TSXV. Mr. Rothwell is a Chartered Professional Accountant (CPA, CA) in British Columbia and a designated Chartered Accountant in Australia & New Zealand. He practiced at PricewaterhouseCoopers LLP for 10 years in Australia and Canada, and holds a BA in Economics from Macquarie University.

Mr. Rothwell is not an employee of the Company, and in his capacity as director and audit committee chair will only dedicate approximately 10% of his time to the affairs of the Company. Mr. Rothwell is not a party to any written non-competition or confidentiality agreement with the Company.

**DAN ROGNESS, CA, *Director and Audit Committee Member***

Mr. Rogness, age 57, has been a director of the Company since February 14, 2017.

Mr. Rogness has worked in the mining industry for over 25 years and is experienced in treasury, finance, financial reporting, corporate development, forecasting, cash management, hedging and foreign exchange. Mr. Rogness is currently consulting for various mining companies and was the Assistant Treasurer at Teck Resources Limited (formerly Teck Corporation and Teck Cominco Ltd.) during 1985-2012. Mr. Rogness is a Chartered Professional Accountant (CPA, CA) in British Columbia, and holds a B.Com (Honours) in Accounting and Management Information Systems.

Mr. Rogness is not an employee of the Company, and in his capacity as director and audit committee member will only dedicate approximately 10% of his time to the affairs of the Company. Mr. Rogness is not a party to any written non-competition or confidentiality agreement with the Company.

**HAN-YING (JESSIE) LIN, CPA, CGA, *Chief Financial Officer***

Ms. Lin, age 35, has been the CFO of the Company since December 20, 2016.

Ms. Lin has over 10 years of professional experience in the areas of accounting, financial and regulatory reporting. She has worked in the mining industry for a decade and has successfully assisted in the listing of a number of mineral exploration companies on the TSXV. She earned her CGA designation in 2011 and has a Bachelor of Applied Science degree with a Minor in Commerce from the University of British Columbia.

Ms. Lin is not an employee of the Company and in her capacity as CFO will dedicate approximately 25% of her time to the affairs of the Company. Ms. Lin is not a party to any written non-competition or confidentiality agreement with the Company.

**JEFFREY DARE, *Corporate Secretary***

Mr. Dare, age 37, has been the Corporate Secretary of the Company since December 20, 2016.

Mr. Dare has over nine years of professional experience with respect to managing external reporting and corporate compliance for TSXV listed issuers. He currently serves as the Corporate Secretary for Riverside Resources Inc., Bluestone Resources Inc., Kivalliq Energy Corporation, Graphene 3D Lab Inc., Dunnedin Ventures Inc., Great Bear Resources Ltd., Nickel One Resources Inc., and Corex Management Inc., a private administration company. At Corex Management Inc. he also advises numerous private companies in different industries and jurisdictions. Mr. Dare works closely with external

partners and service providers in the areas of legal, compliance, transfer agency, audit, banking and insurance. Mr. Dare earned a BA from Simon Fraser University and has completed the Canadian Securities Course.

Mr. Dare is not an employee of the Company and in his capacity as Corporate Secretary will dedicate approximately 15% of his time to the affairs of the Company. Mr. Dare is not a party to any written non-competition or confidentiality agreement with the Company.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of our directors or executive officers are, as at the date of this Prospectus, or have been within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

save and except that:

- (i) Adrian Rothwell was the acting Chief Financial Officer of MBMI Resources Inc. while it was the subject of a cease trade order issued on September 21, 2007 relating to the filing of technical reports pursuant to National Instrument 43-101 on MBMI's Philippine nickel laterite properties and news releases related thereto. The cease trade order was revoked on November 8, 2007 upon MBMI's issuance of a clarifying news release and the filing of an amended technical report.
- (ii) John Robins was a director of CNR Capital Corporation while it was the subject of cease trade orders issued by the Ontario Securities Commission (OSC) on July 20, 2007 and by the British Columbia Securities Commission (BCSC) on July 11, 2007 for failure to file financial statements in a timely manner. The cease trade orders were revoked by the OSC on September 14, 2007 and by the BCSC on September 17, 2007.

None of our directors, executive officers or a shareholder holding a sufficient number of our securities to affect materially the control of the Company:

- (a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Our directors are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, our directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such

participation. In the event that such conflicts of interest arise at a meeting of our directors, such conflicts of interest must be declared and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not we will participate in any such project or opportunity.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and we will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Business Corporations Act* (Yukon) will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

## **EXECUTIVE COMPENSATION**

### ***Compensation Discussion and Analysis***

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis. Compensation payable is currently determined by the Board. At the present time, compensation paid to our executive officers is expected to consist solely of management fees, Performance Shares and stock options.

Payments may be made from time to time to executive officers or companies they control for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

We intend to pay fees of \$10,000 per month to Brandon Macdonald, our CEO, and fees averaging \$6,000 per month to FT Management Ltd. for the services of Han-Ying (Jessie) Lin, our CFO, and Jeffrey Dare, our Corporate Secretary following the Listing Date; and to grant incentive stock options to all of our directors and management pursuant to our stock option plan. See "Options and Other Rights to Purchase Securities".

### ***Option Based Awards***

Stock options will be granted pursuant to the Company's Plan to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company.

### ***Named Executive Officers' Compensation***

In accordance with applicable securities legislation, we currently have two Named Executive Officers ("NEOs"); being Brandon Macdonald as CEO, and Han-Ying (Jessie) Lin as CFO. The following table sets forth all annual and long-term compensation for services paid to or earned by our NEOs and directors, excluding compensation securities, since the date of our incorporation on October 20, 2015:

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Period Ended (m/d/y)</b>	<b>Salary, consulting fee, retainer, commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Brandon Macdonald</b> <i>CEO and Director</i>	12/31/16	nil	nil	nil	nil	\$3,750	\$3,750
	12/31/15	n/a	n/a	n/a	n/a	n/a	n/a
<b>Han-Ying (Jessie) Lin</b> <i>CFO</i>	12/31/16	nil	nil	nil	nil	nil	nil
	12/31/15	n/a	n/a	n/a	n/a	n/a	n/a

<b>John Robins</b> <i>Executive Chairman and Director</i>	12/31/16 12/31/15	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
<b>Richard Hajdukiewicz</b> <i>Director</i>	12/31/16 12/31/15	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
<b>George Gorzynski</b> <i>Director</i>	12/31/16 12/31/15	nil nil	nil nil	nil nil	nil nil	\$1,225 nil	\$1,225 nil
<b>Adrian Rothwell</b> <i>Director</i>	12/31/16 12/31/15	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a
<b>Dan Rogness</b> <i>Director</i>	12/31/16 12/31/15	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a

### Outstanding Share-Based Awards and Option-Based Awards

The Company has a stock option plan in place. An aggregate of 1,380,000 options have been granted under the Plan. For a description of our Stock Option Plan, see “Options and Other Rights to Purchase Securities of the Company – Stock Option Plan” above. The following table discloses all compensation securities granted or issued to each NEO and director by the Company:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant m/d/y	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date m/d/y
<b>Brandon Macdonald</b> <i>CEO and Director</i>	stock options	240,000	26/4/17	\$0.50	n/a	n/a	26/4/22
<b>Han-Ying (Jessie) Lin<sup>1</sup></b> <i>CFO</i>	stock options	40,000	26/4/17	\$0.50	n/a	n/a	26/4/22
<b>John Robins</b> <i>Executive Chairman and Director</i>	stock options	200,000	26/4/17	\$0.50	n/a	n/a	26/4/22
<b>Richard Hajdukiewicz</b> <i>Director</i>	stock options	200,000	26/4/17	\$0.50	n/a	n/a	26/4/22
<b>George Gorzynski</b> <i>Director</i>	stock options	200,000	26/4/17	\$0.50	n/a	n/a	26/4/22
<b>Adrian Rothwell</b> <i>Director</i>	stock options	160,000	26/4/17	\$0.50	n/a	n/a	26/4/22
<b>Dan Rogness</b> <i>Director</i>	stock options	160,000	26/4/17	\$0.50	n/a	n/a	26/4/22

1. Options issued to FT Management Ltd., a private company which provides the services of Ms. Lin in her capacity as CFO.

We do not provide any retirement benefits for our directors or officers; nor do we have any long term incentive plan or SAR.

### ***Management and Consulting Agreements***

We have the following management, employment or consulting agreements in place with our NEOs and directors:

- Brandon Macdonald has a written employment contract governing his employment terms in his role as Chief Executive Officer of the Company.
- FT Management Ltd. which provides the services of Han-Ying (Jessie) Lin, our CFO, and Jeffrey Dare, our Corporate Secretary, will receive an average of \$6,000 per month.
- George Gorzynski, a director, will be paid industry rates for the provision of geological and engineering services, as required.

### ***Termination of Employment, Change of Control Benefits and Employment Contracts***

No benefits will accrue to any of our NEOs, officers, employees or directors upon their termination, or upon any change of control of the Company, except as follows:

- The employment contract of Brandon Macdonald, CEO, provides for three months' severance pay for termination of employment without cause.
- Upon the sale of the Property or the Company, the Founders will be entitled to receive the Performance Shares. See "Options and other Rights to Purchase Securities – Performance Shares" above.

### ***Directors' Compensation***

There are no current plans for directors to receive any fees or other compensation for their acting as directors, except that directors will be entitled to (i) incentive stock options pursuant to the Company's Stock Option Plan in such individual amounts as the board of directors may determine from time to time, and (ii) reimbursement for out-of-pocket expenses incurred on behalf of or in providing services as a director for the Company. The Founders are also eligible to receive Performance Shares in certain circumstances.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director or officer of the Company, or any associate or affiliate of such person, is or has ever been indebted to the Company; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

## **AUDIT COMMITTEE**

Pursuant to Exchange Policies and National Instrument 52-110 *Audit Committees* ("NI 52-110"), we are required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company. The Audit Committee must operate pursuant to the provisions of have a written charter, which sets out its duties and responsibilities. The following is a summary of such charter:

### **Audit Committee Charter**

#### *Mandate*

The primary function of the audit committee (the "Committee") is to assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;

- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

### *Composition*

The Committee will be comprised of at least three directors as determined by the Board, the majority of whom will be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee should have accounting or related financial management expertise. All members of the Committee that are not financially literate must work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements. The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders’ meeting.

### *Meetings*

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

- Review and update this Charter annually.
- Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- Confirm that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements.

#### External Auditors

- Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- Take, or recommend that the full Board take appropriate action to oversee the independence of the external auditors.
- Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- At each yearly audit meeting, consult with the external auditors, without the presence of management, about the quality of the Company’s accounting principles, internal controls and the completeness and accuracy of the Company’s financial statements.
- Review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

#### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### *Other*

Review any related-party transactions.

#### **Composition of the Audit Committee**

The Audit Committee is presently comprised of Adrian Rothwell (Chair), Dan Rogness, and George Gorzynski. Mr. Gorzynski is not an independent director as he is a significant shareholder of the Company, however Mr. Rothwell and Mr. Rogness are independent directors of the Company within the meaning of NI 52-110. All members of the Audit Committee are financially literate. The members of the Audit Committee are elected by the Board of Directors at its first meeting

following each annual shareholders' meeting to serve one year terms and are permitted to serve an unlimited number of consecutive terms.

### Relevant Education and Experience

For the education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee, see "*Directors and Executive Officers*" and "*Management of the Company*".

### Audit Committee Oversight

At no time has a recommendation of the Committee to nominate or compensate an external auditor not been adopted by the Board.

### Reliance on Certain Exemptions

At no time has the Company relied on any exemption contained in NI 52-101, other than that which exempts "venture issuers" from the requirements regarding the composition of the audit committee and certain disclosure obligations.

### Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### External Auditor Service Fees (By Category)

The aggregate fees billed by our external auditors for audit and other fees since the date of incorporation on October 20, 2015 to December 31, 2016 are as follows:

Period Ended	Audit Fees	Audit Related Fees <sup>1</sup>	Tax Fees <sup>2</sup>	All Other Fees <sup>3</sup>
December 31, 2015 <sup>4</sup>	\$5,000	\$nil	\$1,250	\$nil
December 31, 2016	\$10,000	\$nil	\$1,250	\$nil

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.
4. For the period from incorporation to December 31, 2015.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with day-to-day management of the Company. National Instrument 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") our corporate governance practices are summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

## **Board of Directors**

The Company's Board of Directors (the "Board") is currently composed of six directors – Brandon Macdonald, John Robins, George Gorzynski, Richard Hajdukiewicz, Adrian Rothwell, and Dan Rogness. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by directors independent of management.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. One-third of the Company's Board is independent. Each of Adrian Rothwell and Dan Rogness can be considered to be "independent" within the meaning of NI 58-101. Brandon Macdonald, by reason of being CEO and a significant shareholder, John Robins, by reason of being Chairman and a significant shareholder, and each of George Gorzynski and Richard Hajdukiewicz by virtue of their shareholdings, cannot be considered to be "independent" within the meaning of NI 58-101.

The independent directors will meet separately from the non-independent directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent directors. No separate meetings of the independent directors have been held to date. John Robins, a non-independent director, acts as the chairman with respect to the conduct of Board meetings. Given the Company's relatively small size and start-up nature, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Since the Company's incorporation on October 20, 2015 until the date of this Prospectus, the Company's Board has not held any formal Board meetings, but the directors have approved various matters by consent resolutions.

## **Board Mandate**

The Board does not presently have a written mandate describing how the Board delineates its role and responsibilities. The size of the Company is such that all of its operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors have regular and full access to management. Further supervision is performed through the Company's Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance.

## **Position Descriptions**

The Board has not developed written position descriptions for the chairman with respect to the conduct of Board meetings, or for the chair of any committees. The chairman's role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The duties and responsibilities for the Company's CEO are described in his employment contract. The CEO's general roles and responsibilities are commensurate with the position of CEO of a resource company comparable in size to the Company include overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

### Other Reporting Issuer Experience

The following table sets out the directors of the Company who have been directors of other reporting issuers in any Canadian or foreign jurisdiction in the past five years:

Name	Name of Reporting Issuer	Position Held	Name of Exchange or Market (if applicable)	Dates Position Held (from – to) (mm/yy – mm/yy)
Brandon Macdonald	NorthIsle Copper & Gold Inc.	Director	TSXV	06/13 – present
	Commander Resources Ltd.	Director	TSXV	06/16 – present
	Arcturus Ventures Inc.	Director VP, CFO	TSXV	10/09 – 01/17 10/09 – present
John Robins	Northern Empire Resources Corp.	Director, Chairman	TSXV	05/12 – present
	Kivalliq Energy Corporation	Director, Chairman	TSXV	07/08 – present
	K2 Gold Corporation	Director, Chairman	TSXV	15/12 – present
	Bluestone Resources Inc.	Director	TSXV	05/08 – present
	Kaminak Gold Corp.	Director, Chairman	TSXV	11/05 – 07/16
	Grenville Strategic Royalty Corp.	Director	TSXV	11/02 – 02/14
	Vangold Resources Ltd.	Director	TSXV	11/12 – 04/13
	Niblack Mineral Development Inc.	Director, Chairman	TSXV	05/03 – 01/12
Grayd Resource Corp.	Director	TSXV	01/04 – 02/12	
George Gorzynski	IMPACT Silver Corp.	Director, VP Expl	TSXV	04/04 – present
	Defiance Silver Corp.	Director	TSXV	13/12 – present
	Tirex Resources Ltd.	Director	TSXV	04/07 – present
	Berkwood Resources Ltd.	Director	TSXV	03/97 – 10/16
	Rupert Resources Ltd.	CEO Director	TSXV	08/15 – 10/16 02/91 – 06/12
Adrian Rothwell	Kiska Metals Corp.	CFO	TSXV	12/10 – 12/12
	NuLegacy Gold Corp.	CFO	TSXV	10/11 – 05/13
	Centurion Minerals Ltd.	CFO	TSXV	08/08 – 15/13

### Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are encouraged to review the Company's public disclosure records and are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company will take steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company's legal counsel continually reviews the latest securities rules and policies and is on the mailing list of the Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors and management.

### Ethical Business Conduct

The Board has not established a Corporate Governance Committee, but plans do so in the future. As some of our directors also serve as directors and officers of other companies engaged in similar business activities, our directors must comply with the conflict of interest provisions of applicable corporate law, as well as the relevant securities regulatory instruments, in order to ensure that they exercise independent judgment in considering transactions and agreements in respect of which they may have a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

The Board plans to establish a code of ethical conduct policy pursuant to the requirements of National Policy 58-201. The full text of this policy will be posted for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) on or soon after the Listing Date and may be obtained free of charge upon request to the Company by mail to Suite 1020 – 800 West Pender Street, Vancouver, B.C. (telephone: 604- 646-8360).

### **Nomination of Directors**

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board of Directors. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

### **Compensation**

The Board of Directors has not yet formed a Compensation Committee to monitor and review the salary and benefits of its executive officers. The Board will periodically review the Company's general compensation structure, policies and programs in consideration of industry standards and the Company's financial situation until a Compensation Committee is formed.

### **Other Board Committees**

At present, the only committee the Company has is an Audit Committee. The Company may create other committees in the future.

### **Assessments**

Neither the Company nor the Board of Directors has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

## **PLAN OF DISTRIBUTION**

### **Agency Agreement**

Pursuant to the Agency Agreement, we have appointed the Agent to act on our behalf to conduct the Offering in the Selling Provinces, on a commercially reasonable efforts basis, to offer for distribution 7,000,000 Shares to raise gross proceeds of \$3,500,000 with an Over -Allotment Option of 1,050,000 Additional Shares for additional gross proceeds to \$525,000. The Offering is subject to receiving minimum subscriptions for 7,000,000 Shares. The Agent may enter into selling arrangements with other investment dealers and offer selling group participation at no additional cost to the Company. The Company will work diligently with the Agent to develop a list (the "President's List") of strategic investors, existing shareholders, family members, friends and business associates of the Company who will be protected potential purchasers for an amount up to \$1,000,000 as part of the Offering. The Agent will be paid or issued the following consideration under the Agency Agreement:

- (i) the Agent's Commission calculated as 6% of gross proceeds from the sale of Shares (including Additional Shares, if any) to purchasers not under the President's List, and 2% of gross proceeds from the sale of Shares (including Additional Shares, if any) to purchasers under the President's List, payable in cash, Commission Shares or any combination thereof at the election of the Agent;
- (ii) the Agent's Warrants calculated as 6% of the number of Shares (including Additional Shares, if any) sold to purchasers not under the President's List, and 2% of the number of Shares (including Additional Shares, if any) sold to purchasers under the President's List;
- (iii) the Corporate Finance Fee of \$50,000 (payable in cash); and

- (iv) reimbursement of its legal fees and expenses.

This Prospectus qualifies for distribution in the Selling Provinces, the Shares and Additional Shares, and the Commission Shares and the Agent's Warrants, to the extent permitted by NI 41-101. NI 41-101 restricts the maximum number of Qualified Compensation Securities to not more than 10% of the number of securities being offered; which in the case of the Offering equates to 805,000 Shares, assuming the exercise in full of the Over-Allotment Option. To the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Shares sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under this Prospectus, and will be subject to a four month hold period in accordance with applicable securities laws.

The Company has granted to the Agent the Over-Allotment Option, exercisable, in whole or in part, until two business days prior to the closing of the Offering, to sell up to 1,050,000 Additional Shares.

Pursuant to the Agency Agreement, the Company agrees that it will not issue, announce any issue or agree to issue any securities of the Company, other than issuances (i) under existing director, employee or consultant stock option, bonus or purchase plans (ii) under director or employee stock options or bonuses granted subsequently in accordance with regulatory approval, (iii) as a result of the exercise of currently outstanding share purchase warrants or options or previously scheduled property payments, or (iv) in connection with the Company's acquisition of additional mineral property or related interests, during the period beginning on the date hereof and ending 90 days after the Closing Date without the written agreement of the Agent, such agreement not to be unreasonably withheld.

The Company's officers and directors have agreed, not to sell, or agree to sell, or announce any intention to do so, any Common Shares or securities exchangeable or convertible into common shares of the Company prior to Closing and for a period of 90 days from the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld.

Employees of the Agent currently hold an aggregate of 850,000 Shares of the Company, representing 9.02% of the Company's issued and outstanding Shares prior to the Offering.

The Agent has agreed to assist with the Offering on a commercially reasonable efforts basis, and is not obligated to purchase any of the Shares for its own accounts. Closing will take place on a day, determined by the Agent in consultation with the Company, which will be no later than 90 days from the Effective Date

The Agency Agreement provides that the obligations of the Agent thereunder may be terminated at its discretion on the basis of its assessment of the state of financial markets and may also be terminated upon the occurrence of certain stated events.

Subscriptions will be received for the Shares offered hereby subject to rejection or acceptance by the Company in whole or in part, and the Agent reserves the right to close the subscription books at any time provided the Agent has received subscriptions in aggregate equal to the Offering. Upon rejection of a subscription, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction.

All subscription funds will be held in trust by the Agent until the Offering is realized, or the Offering is otherwise closed. If the Offering is not completed within the term of the Agency Agreement or the time required by the rules of the Securities Commissions, the subscription price and the subscriptions will be returned to the subscribers forthwith without interest or deduction.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Agent in accordance with the terms of the Agency Agreement.

Our directors, officers and other insiders may purchase Shares from the Offering.

The price of the Shares under this Prospectus was determined by negotiation between the Company and the Agent and bears no relationship to earnings, book value or other valuation criteria.

**As at the date of this Prospectus, we do not have any of our securities listed or quoted, have not applied to list or quote any of our securities, and do not intend to apply to list or quote any of our securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.**

### *Listing of Common Shares*

The Issuer has received conditional approval to list its Shares on the Exchange. Listing will be subject to the Issuer fulfilling all the listing requirements of the Exchange, including distribution of Offered Shares to a minimum number of public shareholders.

## **RISK FACTORS**

*An investment in the securities offered hereunder should be considered highly speculative due to the nature of our business and the present stage of development. An investment in the securities should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with our operations.*

### **Risks Related to the Offering and Holding of Shares**

#### **High Risk, Speculative Nature of Investment**

An investment in the Shares carries a high degree of risk and should be considered speculative by purchasers. We have no history of earnings, have limited cash reserves, a limited business history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. We are in the “start-up” phase of our business. Our operations are not sufficiently established such that we can mitigate the risks associated with our planned activities.

#### **Dilution and Shareholdings**

The Offering Price significantly exceeds the net tangible book value of the Shares. Accordingly, investors will suffer immediate and substantial dilution of their investment. Assuming there will be 17,873,000 Shares outstanding on the Listing Date, those Shares acquired at \$0.50 per Share under the Offering will have a value, based on an average sale price per Share of the Company as of the Listing Date of approximately \$0.2575 per Share, representing a dilution of approximately 48.50%. Insiders acquired an aggregate of 2,000,000 Shares at nominal consideration; 2,000,000 Shares at \$0.01 per Share; 500,000 Shares at \$0.06 per Share; 1,900,000 Shares at \$0.10 per Share, and 260,000 Shares at \$0.25 per Share. In addition, the Property Option Agreement contemplates a payment of such number of Shares as is equal to 15% of the Company’s then issued and outstanding Shares (on a fully diluted basis) in order for the Company to exercise the option and acquire the Property. The Company has also authorized the issuance of the Performance Shares upon the achievement of certain milestones and may grant stock options under the Plan. Accordingly, purchasers under the Offering may suffer substantial dilution of their equity interest in the Company even prior to taking into account additional financing that the Company may require.

#### **No Established Market**

There is currently no market through which our securities may be sold and purchasers may not be able to resell the Shares purchased under this Prospectus. Even if a market develops, there is no assurance that the price of the Shares offered under this Prospectus, which was determined through negotiations between the Company and the Agent, will reflect the market price of the Shares once a market has developed.

#### **Liquidity Concerns and Future Financing Requirements**

We have no source of operating revenue. It is likely we will operate at a loss until we are able to put a mineral property into production. We may require additional financing in order to fund our businesses or business expansion. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of Shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on

acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

### **Volatility of Share Price**

As it is anticipated that our Shares will be listed on the Exchange, factors such as announcements of quarterly variations in operating results, revenues, costs, as well as market conditions in the mineral exploration industry may have a significant impact on the market price of our Shares. Global stock markets and the Exchange in particular have, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. Share prices for many companies in the mineral exploration industry have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. In addition, there can be no assurance that an active trading or liquid market will develop or be sustained for our Shares.

### **Uncertainty of Use of Proceeds**

Although we have set out our intended use of proceeds from this Offering, the same are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. See “*Note Regarding Forward-looking Statements*” for more details.

### **Prospect of Dividends**

We do not anticipate that any dividends will be paid on our Shares in the foreseeable future.

### **Increased Costs of Being a Publicly-Traded Company**

As a company with publicly-traded securities, we will incur significant legal, accounting and filing fees not presently incurred. Securities legislation and the rules and policies of the Exchange require us to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase our legal and financial compliance costs.

### **Risks Related to our Business**

#### **Option to Acquire the Project**

We do not own the Project at this time. Rather, we hold an option to acquire the Project, and as such there is the risk that we (i) will be unable to exercise the option due to lack of funds; (ii) will be unwilling to exercise the option if to do so would be considered not in the best interests of the Company at that time; or (iii) will otherwise be in breach of the Property Option Agreement; which in each case will result in the complete loss of any interest in the Project. Of specific note, as we are required by TSXV policies to cap the number of Shares that we may issue to Hudbay, we may be unable to issue and deliver the number of Shares required to exercise the option under the Property Option Agreement. Failure to exercise the option may have a material adverse effect on our business.

#### **Fluctuating Mineral Prices**

The mining industry is heavily dependent upon the market price of the metals or minerals being mined or explored for. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that our properties can be mined at a profit. Factors beyond our control may affect the marketability of any minerals discovered. The prices of base and precious metals have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond our control. The market price of metals and minerals is volatile and cannot be controlled by the Issuer. Metal prices have fluctuated widely, particularly in recent years. If the price of zinc should drop significantly, the economic prospects for the Project could be significantly reduced or rendered uneconomic. There is no assurance that, a profitable market may exist for the sale of products, including concentrates from the Project. Factors beyond the control of the Company may affect the marketability of minerals or concentrates produced, including quality issues, impurities, deleterious elements, government regulations, royalties, allowable production and regulations regarding the importing and exporting of minerals, the effect of which cannot be accurately predicted.

Fluctuations in the prices of zinc, lead and/or silver metal prices may adversely affect the Company's financial performance and results of operations. Further, if the market price of zinc, lead and/or silver falls or remains depressed, we may experience losses or asset write-downs and may curtail or suspend some or all of our exploration, development and mining activities.

### **Exploration and Development**

The Property is in the exploration stage and is without a known body of commercial ore and requires extensive expenditures during this exploration stage. See "Description of the Mineral Property". Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that our mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of our operations will be in part directly related to the cost and success of our exploration programs, which may be affected by a number of factors.

We only control a portion of the surface rights over the claims which comprise the Property. In the event that a significant mineralized zone is identified, detailed environmental impact studies will need to be completed prior to initiation of any advanced exploration or mining activities. There is no guarantee that areas for potential mine waste disposal, heap leach pads, or areas for processing plants will be available within the Property or on the currently controlled surface rights.

### **Estimates of Mineral Deposits**

There is no assurance given by the Issuer that any estimates of mineral deposits or resources will materialize.

No assurance can be given that any identified mineralisation will be developed into a coherent mineralisation deposit, or that such deposit will even qualify as a commercially viable and mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other exploration and development work. There can be no assurance that test work and results conducted and recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralisation or mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of any future operations.

### **Substantial Capital Expenditures Required**

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Most of these factors are beyond our control. In addition, because of these risks, there is no certainty that the expenditures to be made by us on the exploration of our Property as described herein will result in the discovery of commercial quantities of ore.

### **Consents from First Nations**

Approval from local First Nations communities will also be required to carry out the proposed work programs on the Property. There is no guarantee that we will be able to obtain approval from local First Nations. The Property lies within an area of territorial claim by the Kaska First Nations that has been withdrawn from staking. The Kaska First Nations have not reached a land claim settlement with the Yukon government, and so the terms of any future development of the Property remains uncertain. See "Description of Mineral Property".

The 2014 Supreme Court of Canada (SCC) decision in *Tsilhqot'in Nation v. British Columbia*, determined that (i) Aboriginal title can be granted over a particular tract of land in certain circumstances; (ii) if granted, Aboriginal title gives the right to

exclusive use and occupation of the land, such that governments and others seeking to use the land must obtain the consent of the Aboriginal title holder; and (iii) in instances where Aboriginal title is unproven, the government still owes a procedural duty to consult with the applicable First Nations. The Tom Jason Property is not currently subject to any proven Aboriginal title. First Nations in the area are not subject to any treaty; but have made certain claims to the lands on which the Property is located, and have certain advanced rights to neighbouring lands considered to be within their traditional territory. Should Aboriginal title be proven over the Property, it may have a materially adverse impact on the Company's interests in the Tom Jason Property.

### **Management Experience and Dependence on Key Personnel and Employees**

Our success is currently largely dependent on the performance of our directors and officers. Our management team has experience in the resource exploration business. The experience of these individuals is a factor which will contribute to our continued success and growth. We will initially be relying on our board members, as well as independent consultants, for certain aspects of our business. The amount of time and expertise expended on our affairs by each of our management team and our directors will vary according to our needs. We do not intend to acquire any key man insurance policies and there is, therefore, a risk that the death or departure of any member of management, our board, or any key employee or consultant, could have a material adverse effect on our future. Investors who are not prepared to rely on our management team should not invest in our securities.

### **Future Acquisitions**

As part of our business strategy, we may seek to grow by acquiring companies and/or assets or establishing joint ventures that we believe will complement our current or future business. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favourable terms, or that any acquisitions completed will ultimately benefit our business.

### **Uncertainty of Additional Funding**

With the net proceeds from the Offering, we will have sufficient financial resources to undertake the work program on the Property recommended in the Report. Upon the successful completion of this work, we may not have sufficient financial resources to complete further work. There is no assurance that we will be successful in obtaining the required financing or that such financing will be available on terms acceptable to us. Any future financing may also be dilutive to our existing shareholders.

### **Negative Cash Flow**

We have a limited history of operations, and no history of earnings, cash flow or profitability. We have had negative operating cash flow since our date of incorporation, and we will continue to have negative operating cash flow for the foreseeable future. Our Property is at the intermediate exploration stage only. We have no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the Property when required. No assurance can be given that we will ever attain positive cash flow or profitability.

### **Reliability of Historical Information**

We have relied on, and the disclosure from the Report set out under "Description of Mineral Property" above, is based, in part, upon historical data compiled by previous parties involved with the Property. To the extent that any of such historical data is inaccurate or incomplete, our exploration plans may be adversely affected.

### **Operating Hazards and Risks**

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which we have a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. We do not currently carry any liability insurance for such risks, electing instead to ensure our contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or we might not elect to insure ourselves against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon our financial condition.

**Access to Property**

At present there is only a single unpaved narrow road to access to the Property, and this access is approximately 200 kilometers from the nearest settlement at Ross River. It will take considerable funds to upgrade the road access and significantly more to prepare the infrastructure that will be necessary to advance the Property to production. No engineering studies have been undertaken to determine the best means of upgrading the road or the cost thereof.

**Competition**

The mining industry is intensely and increasingly competitive, and we compete for exploration and exploitation properties with many companies possessing greater financial resources and technical facilities than we do. Competition in the mining business could adversely affect our ability to acquire suitable producing properties or prospects for mineral exploration in the future.

**Title Matters**

While we have reviewed title to the claims comprising the Property including a legal opinion dated January 17, 2017, and, to the best of our knowledge, such title is in good standing, there is no guarantee that title to such claims will not be challenged or impugned. The Property may be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

**Environmental Risks and Other Regulatory Requirements**

Our current or future operations, including exploration or development activities and commencement of production on our properties require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which we may require for the construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which we might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material impact on us and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

**Industry Regulation**

We currently operate our business in a regulated industry. There can be no assurances that we may not be negatively affected by changes in the applicable legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

**Uninsured or Uninsurable Risks**

We may become subject to liability for cave-ins, pollution or other hazards against which we cannot insure or against which we may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for exploration and mining activities. Payments of liabilities for which we do not carry insurance may have a material adverse effect on our financial position.

## **General Business Risks**

### **Conflicts of Interest**

Certain of our directors and officers are, and may continue to be, involved in the mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with our interests. Directors and officers of the Company with conflicts of interest will be subject to and must follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies. Notwithstanding this, there may be corporate opportunities which we are not able to procure due to a conflict of interest of one or more of our directors or officers.

### **Risk Related to General Economic Factors**

#### **Volatility in the Worldwide Economy**

Economic uncertainty in many parts of the world has adversely affected businesses and industries in almost every sector in more significant and unpredictable ways than in more stable economic times. Prolonged depressed economic conditions and volatility in the worldwide economy may continue to adversely affect individuals and institutions investing in junior mineral exploration and development companies, which could negatively affect our business.

**AS A RESULT OF THESE RISK FACTORS, THE OFFERING IS SUITABLE ONLY FOR THOSE PURCHASERS WHO ARE WILLING TO RELY ON THE MANAGEMENT OF THE COMPANY AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE OFFERED SECURITIES.**

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of our legal counsel, Owen Bird Law Corporation, based on the provisions of the *Income Tax Act* (Canada) (the "ITA"), the regulations thereunder in force as of the date hereof (the "Regulations") and the proposals to amend the ITA and the regulations thereunder publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, the Shares, when issued, will be "qualified investments" under the ITA and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and tax free savings accounts ("TFSA") (provided the holder of the TFSA deals at arm's length with the Company) (collectively, the "Plans").

Notwithstanding that the Shares may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax with respect to the Shares held in a TFSA if such securities are "prohibited investments" for the TFSA within the meaning of the ITA. Provided that the holder of a TFSA does not hold a "significant interest" (as defined in the ITA) in the Company or any corporation, partnership or trust that does not deal at arm's length with the Company for the purposes of the ITA, and provided that such holder deals at arm's length with the Company for the purposes of the ITA, the Shares will not be "prohibited investments" for a trust governed by the TFSA. **Prospective subscribers who intend to hold Shares in a TFSA are urged to consult their own tax advisers.**

## **PROMOTERS**

Each of Richard Hajdukiewicz, George Gorzynski, John Robins and Brandon Macdonald may be considered to be our promoters, as that term is defined in the *Securities Act* (British Columbia). Information about each of them is disclosed elsewhere in this Prospectus in connection with their roles as officers, directors and Founders of the Company. See "Directors and Officers" and "Executive Compensation" for details.

Mr. Hajdukiewicz holds (i) an aggregate of 1,908,000 Shares (acquired as to 1,200,000 for nominal consideration; 500,000 at \$0.01 per Share; 100,000 at \$0.06 per Share; 100,000 at \$0.10 per Share; and 8,000 at \$0.25 per Share); (ii) 200,000 options exercisable at \$0.50 per Share; and is entitled to receive 1,000,000 Performance Shares if certain events occur.

Mr. Gorzynski holds (i) an aggregate of 1,508,000 Shares (acquired as to 800,000 for nominal consideration; 500,000 at \$0.01 per Share; 100,000 at \$0.06 per Share; 100,000 at \$0.10 per Share; and 8,000 at \$0.25 per Share); (ii) 200,000 options exercisable at \$0.50 per Share; and is entitled to receive 1,000,000 Performance Shares if certain events occur.

Mr. Robins holds (i) an aggregate of 1,800,000 Shares (acquired as to 500,000 at \$0.01 per Share; 100,000 at \$0.06 per Share; 1,100,000 at \$0.10 per Share; and 100,000 at \$0.25 per Share); (ii) 200,000 options exercisable at \$0.50 per Share; and is entitled to receive 1,000,000 Performance Shares if certain events occur.

Mr. Macdonald holds (i) an aggregate of 1,204,000 Shares (acquired as to 500,000 at \$0.01 per Share; 100,000 at \$0.06 per Share; 600,000 at \$0.10 per Share; and 4,000 at \$0.25 per Share); (ii) 240,000 options exercisable at \$0.50 per Share; and is entitled to receive 1,000,000 Performance Shares if certain events occur.

Each will be entitled to receive additional stock options under the Company's Plan. See "*Options and Other Rights to Purchase Securities of the Company*"; "*Directors and Executive Officers – Management of the Company; Cease Trade Orders or Bankruptcies, Penalties or Sanctions*"; and "*Interest of Management and Others in Material Transactions*" for disclosure regarding our promoters.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **Legal Proceedings**

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against us or to which we are a party or to which our business or any of our assets is subject, nor to our knowledge are any such legal proceedings contemplated which could become material to a purchaser of our securities.

### **Regulatory Actions**

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

For purposes of this Prospectus, "informed person" means:

- (a) any director or executive officer of the Company;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's outstanding Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

Other than as described in this Prospectus, no informed person has had any material interest, direct or indirect, in any material transaction with the Company since its incorporation.

## **RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT**

We are not a "related issuer" or a "connected issuer" of or to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

Our auditor is Davidson & Company LLP, Chartered Professional Accountants, Suite 1200 – 6009 Granville Street, Vancouver, British Columbia V7Y 1G6.

Our registrar and transfer agent is Computershare Investor Services Inc., 510 Burrard Street, Second floor, Vancouver, British Columbia V6C 3B9.

## **MATERIAL CONTRACTS**

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by us, or which affect us, since our incorporation on October 20, 2015:

- (a) Property Option Agreement with Hudbay dated December 14, 2016;
- (b) Agency Agreement dated May 9, 2017 between the Company and the Agent;
- (c) Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated February 28, 2017 between the Company and Computershare Investor Services Inc.;
- (d) Escrow Agreement dated April 13, 2017, among the Company, the Escrow Agent and certain shareholders of the Company. See “Escrowed Shares”;
- (e) Stock Option Plan;
- (f) Employment Agreement dated December 15, 2016 between the Company and Brandon Macdonald pertaining to his engagement as Chief Executive Officer; and
- (g) Consulting Agreement dated December 20, 2016 between the Company and FT Management Ltd. pertaining to the engagement of Han-Ying (Jessie) Lin as Chief Financial Officer and Jeffrey Dare as Corporate Secretary.

Copies of all material contracts may be inspected at our registered office at Owen Bird Law Corporation, Bentall 3, Suite 2900 – 595 Burrard Street, Vancouver, BC V7X 1J5, during normal business hours while distribution of the securities offered hereunder is in progress, and for a period of 30 days thereafter. The material contracts will also be available on the SEDAR website ([www.sedar.com](http://www.sedar.com)) upon the issuance of the final receipt for this Prospectus.

## **EXPERTS**

The Report on the Property was prepared by Dennis Arne, P. Geo., of Vancouver, B.C. Mr. Arne does not have any interest in us, our Shares or the Property.

Owen Bird Law Corporation, of Vancouver, BC expressed an opinion herein regarding the eligibility of our Shares for contribution to RRSFs and other similar trusts. See “Eligibility for Investment”. The shareholders, associates and employees of Owen Bird Law Corporation own less than 1.0% of the outstanding Shares of the Company.

The auditors’ report attached to our audited financial statements for the period from incorporation on October 20, 2015 to December 31, 2015, and our audited financial statements for the twelve months ended December 31, 2016, were prepared by our auditors, Davidson & Company LLP. Davidson & Company LLP has advised the Company that they are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

No other person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in our Property or any associate or affiliate of the Company. As at the date hereof, and except as disclosed above, none of the aforementioned persons beneficially owns,

directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or a promoter of the Company or of an associate or affiliate of the Company.

### **OTHER MATERIAL FACTS**

There are no further facts or particulars in respect of the securities being distributed pursuant to this Prospectus that are not already disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

### **RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission, revision of the price, or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. **The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.**

### **LIST OF EXEMPTIONS**

The Company has not applied for or received any exemption from NI 41-101, regarding this Prospectus or the distribution of the Shares under this Prospectus.

### **FINANCIAL STATEMENT DISCLOSURE**

Our audited financial statements for the period from incorporation on October 20, 2015 to December 31, 2015, and our audited financial statements for the 12 months ended December 31, 2016 are included herein as Schedule "A". Our fiscal year end is December 31.

### **SIGNIFICANT ACQUISITIONS**

All of our material acquisitions to date have been described above in this Prospectus. See "Description of the Company's Business" above for details.

Other than as described herein, we have not completed any acquisitions or dispositions since the Company's date of incorporation, and are not currently in negotiations with respect to any potential material acquisitions or dispositions.

**SCHEDULE “A”**

**FIREWEED ZINC LTD.**

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

**Financial Statements**

**December 31, 2016**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
Fireweed Zinc Ltd.

We have audited the accompanying financial statements of Fireweed Zinc Ltd., which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of operations and comprehensive loss, cash flows, and changes in shareholders' equity (deficiency) for the year ended December 31, 2016 and the period from incorporation on October 20, 2015 to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Fireweed Zinc Ltd., as at December 31, 2016 and 2015 and its financial performance and its cash flows for the year ended December 31, 2016 and the period from incorporation on October 20, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

May 9, 2017



# FIREWEED ZINC LTD.

Statements of Financial Position as at December 31,  
(Expressed in Canadian Dollars)

	Note	2016	2015
<b>Assets</b>			
Current assets:			
Cash		\$ 72,214	\$ -
Receivables		4,013	181
Prepaid expenses		1,950	-
		78,177	181
Exploration and evaluation assets	5	101,971	-
		\$ 180,148	\$ 181
<b>Liabilities and Shareholders' Equity (Deficiency)</b>			
Current liabilities:			
Accounts payable and accrued liabilities	6	\$ 31,808	\$ 12,902
Shareholders' equity (deficiency):			
Capital stock	7	270,500	800
Subscriptions received in advance		80,000	-
Deficit		(202,160)	(13,521)
		148,340	(12,721)
		\$ 180,148	\$ 181

Nature and continuance of operations (Note 1)

Commitment (Note 13)

Subsequent events (Note 14)

On behalf of the Board:

"Brandon Macdonald" Director

"George Gorzynski" Director

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

# FIREWEED ZINC LTD.

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

	Note	Year ended December 31, 2016	Period from inception on October 20, 2015 to December 31, 2015
<b>Expenses</b>			
Consulting fees	9	\$ 4,450	\$ -
Investor relations	9	957	-
Office expenses		336	-
Professional fees		45,171	10,125
Property investigation and evaluation	5	36,279	3,396
Share-based compensation		100,000	-
Travel and meals		1,446	-
<b>Net loss for the period</b>		<b>(188,639)</b>	<b>(13,521)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.03)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>			
– basic and diluted		3,390,983	3,200,000

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

# FIREWEED ZINC LTD.

## Statements of Cash Flows

(Expressed in Canadian Dollars)

	Note	Year ended December 31, 2016	Period from inception on October 20, 2015 to December 31, 2015
<b>OPERATING ACTIVITIES</b>			
Net loss for the year		\$ (188,639)	\$ (13,521)
Items not affecting cash:			
Share-based compensation		100,000	-
Change in non-cash working capital items:			
Receivables		(3,832)	(181)
Prepaid expenses		(1,950)	-
Accounts payable and accrued liabilities		18,731	12,902
		(75,690)	(800)
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation assets	5	(101,796)	-
		(101,796)	-
<b>FINANCING ACTIVITIES</b>			
Capital stock, net of issuance costs	7	169,700	800
Subscriptions received in advance		80,000	-
		249,700	800
Increase in cash		72,214	-
Cash, beginning of the year		-	-
Cash, end of the year		\$ 72,214	\$ -
Supplemental disclosures with respect to cash flows:			
<b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b>			
Exploration and evaluation expenditures included in accounts payable		\$ 175	\$ -

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

# FIREWEED ZINC LTD.

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

	Note	Capital Stock		Subscriptions received in advance	Deficit	Total
		Shares	Amount			
<b>Balance at incorporation on October 20, 2015</b>		-	\$ -	\$ -	\$ -	\$ -
Issued for:						
Shares upon incorporation	7	3,200,000	800	-	-	800
Loss for the period		-	-	-	(13,521)	(13,521)
<b>Balance at December 31, 2015</b>		3,200,000	800	-	(13,521)	\$ (12,721)
Issued for:						
Shares surrendered		(1,200,000)	(300)	-	-	(300)
Seed financings	7	3,700,000	270,000	-	-	270,000
Subscriptions received in advance		-	-	80,000	-	80,000
Loss for the year		-	-	-	(188,639)	(188,639)
<b>Balance at December 31, 2016</b>		5,700,000	\$ 270,500	\$ 80,000	\$ (202,160)	\$ 148,340

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

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

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## 1. Nature and continuance of operations

Fireweed Zinc Ltd. (the “Company”) is a private company 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 Tom Jason zinc-lead-silver property in Yukon.

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 Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada V7X 1J5.

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

These financial statements are authorized for issue by the Board of Directors on May 9, 2017.

## 2. Basis of presentation

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. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

## 4. Significant accounting policies

### (a) Exploration and evaluation assets

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

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

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

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## 4. Significant accounting policies (cont'd...)

### (a) Exploration and evaluation assets (cont'd...)

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

### (b) Provision for environmental rehabilitation

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

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

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

### (c) Impairment of long-lived assets

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

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

### (d) Loss per share

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

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

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## 4. Significant accounting policies (cont'd...)

### (e) Critical accounting estimates, judgments, and assumptions

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

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

#### ***Critical accounting judgment***

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

#### ***Key sources of estimation uncertainty***

##### Exploration and evaluation assets

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

##### 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.

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

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## 4. Significant accounting policies (cont'd...)

### (f) Income taxes

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

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

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

### (g) Financial instruments

#### Financial assets

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

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

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

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

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

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

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

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## 4. Significant accounting policies (cont'd...)

### (g) Financial Instruments (cont'd...)

#### Financial liabilities

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

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

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

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities. Refer to Note 12 for additional details.

### (h) Capital stock

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

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

## **New standards and interpretations not yet adopted**

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

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

## 5. Exploration and evaluation assets

	Note	Tom Jason (Yukon, Canada)
Acquisition costs:		
Opening balance, incorporation on October 20, 2015, and as at December 31, 2015		\$ -
Additions during the year:		
Cash payments		100,000
<b>Total acquisition costs</b>		<b>100,000</b>
Exploration costs:		
Opening balance, incorporation on October 20, 2015, and as at December 31, 2015		-
Additions during the year:		
Geological consulting	9	1,971
<b>Total exploration costs</b>		<b>1,971</b>
<b>Balance, December 31, 2016</b>		<b>\$ 101,971</b>

### Tom Jason, Yukon, Canada

On December 14, 2016, the Company entered into a two year option agreement with Hudbay Minerals Inc. ("Hudbay") whereby the Company can acquire a 100% interest in the Tom Jason zinc-lead-silver property by paying \$1,000,000 in cash, issuing such quantity of common shares in the capital of the Company as is equal to 15% of its then issued and outstanding shares on a fully diluted basis but excluding shares issued for projects other than Tom Jason, and incurring exploration expenditures of \$1,000,000 over two years or a prorated lesser amount if the option is exercised earlier than two years. These terms are summarized as follows:

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

Upon exercise of the option, the Company will assume a pre-existing 3% net smelter royalty ("NSR") on the Jason claims to third parties but will then have the right to purchase at any time, 1.5% of the NSR for \$1,250,000 and the remaining 1.5% NSR for \$4,000,000. The Tom claims are not encumbered by any underlying royalties.

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

## 6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of payables to directors for expenses reimbursement and accrued liabilities for audit fees and corporate tax return services. The breakdowns of accounts payable and accrued liabilities are as follows:

	Note	December 31, 2016	December 31, 2015
Payable to directors	9	\$ 14,308	\$ 6,652
Accrued liabilities		17,500	6,250
		<b>\$ 31,808</b>	<b>\$ 12,902</b>

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

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## 7. Capital stock

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

### Issued and outstanding

Upon incorporation of the Company on October 20, 2015, 3,200,000 common shares were issued at a value of \$800.

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

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

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

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

As at December 31, 2016, share subscriptions of \$80,000 for 800,000 common shares were received in advance for the second tranche of \$0.10 seed financings, which was closed on January 5, 2017 subsequent to the year-end.

## 8. Income taxes

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

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	2016	2015
Net loss for the year	\$ (188,639	\$ (13,521)
Expected income tax expense (recovery)	\$ (49,000)	\$ (4,000)
Permanent difference	26,000	-
Change in statutory, foreign tax, foreign exchange rates and other	1,000	-
Change in unrecognized deductible temporary differences	22,000	4,000
Total income taxes	\$ -	\$ -

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

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	December 31, 2016	Expiry dates	December 31, 2015	Expiry dates
Exploration & evaluation assets	\$ 36,000	No expiry	\$ -	No expiry
Non-capital losses	\$ 65,000	2025-2026	\$ 14,000	2025

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

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

## 9. Related party transactions

Key management personnel 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.

Compensation of key management was as follows:

	Year ended December 31, 2016	Period from inception on October 20, 2015 to December 31, 2015
Brandon Macdonald, Director & CEO	\$ 3,750	\$ -
George Gorzynski, Director	1,225	-
Richard Hajdukiewicz, Director	-	-
John Robins, Executive Chairman & Director	-	-
	\$ 4,975	\$ -

The remuneration key management personnel during the year ended December 31, 2016 was \$4,975 (2015 - \$nil), where \$4,450 was expensed to consulting fees, \$350 was expensed to investor relations, and \$175 was capitalized to exploration and evaluation assets. As at December 31, 2016, \$14,308 (2015 - \$6,652) owing to key management was included in accounts payable and accrued liabilities for remuneration and expense reimbursements. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

## 10. 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.

## 11. 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 (deficiency). 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.

# FIREWEED ZINC LTD.

Notes to the Financial Statements for the year ended December 31, 2016  
(Expressed in Canadian Dollars)

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## 12. 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 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.

### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had a cash balance of \$72,214 (2015 - \$nil) to settle current liabilities of \$31,808 (2015 - \$12,902). 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 Company has non-interest bearing cash balances and is not at risk to fluctuating interest rates.

### *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.

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### 13. Commitment

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

Number of shares to be issued	Milestone
300,000	Preparation of a positive preliminary economic assessment of the Property (or any part of the Property thereof).
300,000	Increasing the mineral resources contained within the 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 <sup>(1)</sup>	Preparation of a positive Pre-Feasibility Study of the Property (or any part of the Property thereof).
Balance <sup>(1)</sup>	The effective disposition of greater than 50% of the Property 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.

<sup>(1)</sup> 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.

### 14. Subsequent events

On January 5, 2017, 1,900,000 common shares were issued at \$0.10 per share for gross proceeds of \$190,000 upon closing of second tranche of \$0.10 seed financings. 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 February 8, 2017 the Company adopted a 10% rolling 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 may be exercisable within a maximum of ten (10) years. Any vesting period 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.

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

**CERTIFICATE OF THE COMPANY**

Dated: May 9, 2017.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Ontario and Yukon.

*“Brandon Macdonald”*

BRANDON MACDONALD  
Chief Executive Officer

*“Han-Ying Lin”*

HAN-YING (JESSIE) LIN  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“John Robins”*

JOHN ROBINS  
Director

*“George Gorzynski”*

GEORGE GORZYNSKI  
Director

**CERTIFICATE OF THE PROMOTERS**

Dated: May 9, 2017.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Ontario and Yukon.

*“Brandon Macdonald”*

BRANDON MACDONALD

*“George Gorzynski”*

GEORGE GORZYNSKI

*“John Robins”*

JOHN ROBINS

*“Richard Hajdukiewicz”*

RICHARD HAJDUKIEWICZ

**CERTIFICATE OF THE AGENT**

Dated: May 9, 2017.

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Ontario and Yukon.

**HAYWOOD SECURITIES INC.**

Per:           *Kevin Campbell*            
KEVIN CAMPBELL  
Managing Director, Investment Banking