FIREWEED ZINC LTD.

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian Dollars)

Financial Statements

September 30, 2021 and 2020

Index

Notice of non-review of condensed interim financial statements

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators, notice is given that the attached condensed interim financial statements for the nine-month period ended September 30, 2021 have not been reviewed by the Company's auditors.

FIREWEED ZINC LTD.

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

	Note(s)		September 30, 2021		December 31, 2020
Assets					
Current assets:					
Cash		$	4,444,730	$	2,264,206
Receivables			247,678		233,491
Prepaid expenses			154,853		110,140
			4,847,261		2,607,837
Equipment	6		91,293		113,937
Reclamation bond			39,596		39,596
Exploration and evaluation assets	4,5		11,960,326		11,458,395
		$	16,938,476	$	14,219,765
Current liabilities:					
Accounts payable and accrued liabilities	7,12	$	589,408	$	229,863
			589,408		229,863
Long-term loan payable	8		40,000		40,000
Flow-through premium liability	9		86,386		-
Rehabilitation provisions	10		237,761		236,572
			953,555		506,435
Shareholders' equity:					
Capital stock	11		45,971,361		36,486,333
Options reserve	11		2,066,815		1,797,596
Warrants reserve	11		156,445		197,013
Deficit			(32,209,700)		(24,767,612)
			15,984,921		13,713,330
		$	16,938,476	$	14,219,765

Nature and continuance of operations (Note 1)
Commitment (Note 16)
Subsequent events (Note 17)

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 Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three months ended		Nine months ended	
	Note	**September 30, 2021**	**September 30, 2020 Restated (Note 4)**	**September 30, 2021**	**September 30, 2020 Restated (Note4)**
Expenses					
Consulting and management	12	$ 206,149	$ 106,218	$ 500,532	$ 316,009
Depreciation	6	6,988	5,069	22,644	7,287
Director and committee fees	12	30,750	27,226	92,250	95,601
Exploration and evaluation	4,5	4,176,005	2,460,928	6,686,576	2,879,684
Investor relations and corporate development	12	53,597	104,409	213,243	213,190
Insurance expense		10,350	3,750	21,862	10,833
Office and payroll expenses		21,138	11,948	46,592	37,340
Professional fees		34,638	26,159	146,648	71,377
Rent		22,278	11,090	60,090	32,875
Share-based compensation	11,12	156,074	87,406	269,219	287,528
Transfer agent & filing fees		15,009	48,282	64,266	75,425
Travel		13,484	3,844	17,511	11,804
		(4,746,460)	(2,896,329)	(8,141,433)	(4,038,953)
Accretion on rehabilitation provision	10	(396)	(1,168)	(1,189)	(3,504)
Amortization of flow-through liability	9	681,587	430,377	681,587	430,377
Foreign exchange		(497)	4,386	(4,140)	4,303
Interest income		13,219	6,639	23,087	11,587
Loss and comprehensive loss for the period		**$ (4,052,547)**	**$ (2,456,095)**	**$ (7,442,088)**	**$ (3,596,190)**
Loss per share – basic and diluted		$ (0.06)	$ (0.05)	$ (0.12)	$ (0.08)
Weighted average number of common shares outstanding – basic and diluted		63,271,437	48,297,866	59,922,857	42,480,919

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

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

	Note(s)		Nine Months Ended September 30, 2021		September 30, 2020 Restated (Note 4)
OPERATING ACTIVITIES					
Loss for the period		$	(7,442,088)	$	(3,596,190)
Adjustment for items not affecting cash:					
Amortization of flow-through liability	9		(681,587)		(430,377)
Accretion on rehabilitation provision			1,189		3,504
Depreciation	6		22,644		7,287
Share-based compensation	11, 12		269,219		287,528
Change in non-cash working capital items:					
Receivables			(14,187)		(98,025)
Prepaid expenses			(44,713)		(108,966)
Accounts payable and accrued liabilities	7,12		359,545		(34,290)
			(7,529,978)		**(3,969,529)**
INVESTING ACTIVITIES					
Acquisition of equipment			-		(107,940)
Exploration and evaluation assets	4,5		(1,931)		1,035,364
			(1,931)		**927,424**
FINANCING ACTIVITIES					
Proceeds from share issuance	11		9,503,427		8,446,348
Share issue costs	11		(191,329)		(235,220)
Proceeds from warrants exercised	11		400,335		62,152
Proceeds from loan			-		40,000
			9,712,433		**8,313,280**
Increase (decrease) in cash			2,180,524		5,271,175
Cash, beginning of the period		**$**	**2,264,206**	**$**	**783,789**
Cash, end of the period		**$**	**4,444,730**	**$**	**6,054,964**

Supplemental disclosures with respect to cash flows:

Non-cash investing and financing activities:				
Exploration and evaluation expenditures included in accounts payable	$		$	1,226,794
Fair value of finders' warrants		9,797		65,310
Fair value of shares issued for property		500,000		1,632,000
Fair value of performance shares issued				112,500
Fair value of exercised finders' warrants		50,365		318
Flow-through premium liability		800,609		804,791
Share-issue costs allocated to flow-through premium		32,636		35,659

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

FIREWEED ZINC LTD.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

		Capital Stock					
	Notes	Shares	Amount	Warrants reserve	Options reserve	Deficit	Total
Balance at December 31, 2019, as previously stated		**37,797,129**	**$ 26,879,253**	**$ 133,910**	**$ 1,532,985**	**$ (4,505,778)**	**$ 24,040,370**
Effect of change in accounting policy	*4*					*(14,621,236)*	*(14,621,236)*
Balance at December 31, 2019 (Restated – Note 4)		**37,797,129**	**$ 26,879,253**	**$ 133,910**	**$ 1,532,985**	**$ (19,127,014)**	**$ 9,419,134**
Shares issued for resource property		1,857,000	1,632,000	-	-	-	1,632,000
Shares issued in private placement		10,239,636	4,878,972	-	-	-	4,878,972
Flow-through shares issued in private placement		5,212,423	2,798,244	-	-	-	2,978,244
Share issue costs		56,604	(300,530)	65,310	-	-	(235,220)
Share-based compensation		300,000	112.500	-	175,028	-	287,528
Warrants exercised		105,381	62,470	(318)	-	-	62,152
Loss for the period		-	-	-	-	(3,596,190)	(3,596,190)
Balance at September 30, 2020		**55,586,173**	**$ 36,062,909**	**$ 198,902**	**$ 1,708,013**	**$ (22,723,204)**	**$ 15,246,620**
Balance at December 31, 2020		**56,057,112**	**$ 36,486,333**	**$ 197,013**	**$ 1,797,596**	**$ (24,767,612)**	**$ 13,713,330**
Shares issued for resource property	11	500,000	500,000	-	-	-	500,000
Shares issued in private placement	11	6,250,000	5,000,000	-	-	-	5,000,000
Flow-through shares issued in private placement		5,003,808	3,735,454	-	-	-	3,735,454
Share issue costs	11	20,000	(201,126)	9,797	-	-	(191,329)
Share-based compensation	11	-	-	-	269,219	-	269,219
Warrants exercised	11	589,112	450,700	(50,365)	-	-	400,335
Loss for the period		-	-	-	-	(7,442,088)	(7,442,088)
Balance at September 30, 2021		**68,420,032**	**$ 45,971,361**	**$ 156,445**	**$ 2,066,815**	**$ (32,209,700)**	**$ 15,984,921**

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

1. Nature and Continuance of Operations

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

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

The Company's ability to continue operations is not assured and is dependent upon the ability to obtain necessary financing to meet its liabilities and commitments as they become due, and the ability to generate future profitable production or operations or obtain sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As at September 30, 2021, management estimates that the Company does not have sufficient working capital to maintain its operations and activities for the next twelve months and will need to raise additional capital in order to further fund its operations. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. To date there have been no adverse material effects on the Company's business or ability to raise funds.

The financial statements for the period ended September 30, 2021 have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on November 23, 2021.

2. Basis of Presentation and Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - Interim Financial Reporting. In addition, these condensed interim financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at September 30, 2021 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2021.

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

3. Significant Accounting Policies

The accounting policies in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2020.

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.

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

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the nine months ended September 30, 2021 and 2020 are disclosed in Note 11.

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at the net present value of estimated future cash flows and the resulting costs are expensed to the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (cont'd…)

Environmental rehabilitation obligation (cont'd…)

In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

4. Changes in Accounting Policies

The Company's previous accounting policy was to capitalize exploration and evaluation expenditures. The new policy is to expense such expenditures as incurred.

The Company believes that the information provided by this policy change will be more useful to readers because it provides better comparability of our financial position, changes in financial position, and results of operations with those of our current and future peer groups. Consequently, the revised treatment results in more relevant and no less reliable information than was previously presented. We have applied this change in accounting policy retrospectively, in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Due to the change in accounting policy, the Company has restated the comparative financial information on the statements of financial position as at September 30, 2021 and the comparative financial information on the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period ended September 30, 2020. The Company will continue to reflect an asset for the initial acquisition costs related to the mineral property.

Effects on Statements of Financial Position

	As at September 30, 2020		
Assets:	**Previously stated**	**Adjustments**	**As Restated**
Exploration and evaluation assets	$29,140,563	($18,374,920)	$10,765,643
Total assets	**$35,746,126**	**($18,374,920)**	**$17,371,206**
Liability:			
Deferred tax liability	($1,412,965)	$1,412,965	$ -
Total Liabilities	**($3,537,551)**	$1,412,965	**($2,124,586)**
Shareholders' equity:			
Deficit	($5,761,249)	($16,961,955)	($22,723,204)
Total shareholders' equity (deficit)	**$32,208,575**	**($16,961,955)**	**$15,246,620**

Effects on Statements of Loss and Comprehensive Loss

	For the period ended September 30, 2020		
Expenses:	**Previously stated**	**Adjustments**	**As restated**
Exploration and evaluation expenditures	-	($2,879,684)	($2,879,684)
Deferred income tax	($538,965)	$538,965	$ -
Comprehensive Loss	**($1,255,471)**	**($2,340,719)**	**($3,596,190)**
Weighted number of shares outstanding	48,297,866	-	48,297,866
Basic and diluted loss per share	($0.01)		($0.05)

(Expressed in Canadian Dollars)

4. Changes in Accounting Policies (cont'd…)

Effects on Statements of Cash Flows

	As at September 30, 2020		
	Previously stated	**Adjustments**	**As restated**
Operating activities:			
Loss for the year	($1,255,471)	($2,340,719)	($3,596,190)
Deferred income tax	$538,965	($ 538,965)	$ -
Total operating activities	**($1,089,845)**	**($2,879,684)**	**($3,969,529)**
Investing activities:			
Exploration and evaluation assets	($1,844,320)	$2,879,684	$1,035,364
Total investing activities	**($1,952,260)**	**$2,879,684**	**$927,424**

5. Exploration and Evaluation Assets and Expenditures

Exploration and Evaluation Assets

Macmillan Pass Project (Yukon, Canada)		**Nine Months Ended September 30, 2021**		**Fiscal Year Ended December 31, 2020**
Acquisition and maintenance costs:				
Opening Balance	$	11,458,395	$	8,942,213
Additions during the year:				
Change in rehabilitation provision		-		(29,123)
Cash payments		1,931		559,805
Shares issued		500,000		1,985,500
		501,931		2,516,182
Acquisition costs, closing balance	**$**	**11,960,326**	**$**	**11,458,395**

Exploration and Evaluation Expenditures

Macmillan Pass Project (Yukon, Canada)		**Nine Months Ended September 30, 2021**		**Nine Months Ended September 30, 2020**
Assaying	$	224,752	$	36,061
Camp and field		1,883,588		934,660
Drilling		1,506,928		469,484
Engineering		144,165		55,044
Exploration Contracting		1,302,825		648,862
Geological Consulting		495,967		300,151
Insurance and other		4,195		9,058
Permitting, Environment, Social		551,756		255,944
Reporting		46,276		29,276
Travel & Support		526,125		141,144
Total exploration expenditures	**$**	**6,686,576**	**$**	**2,879,684**

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets and Expenditures (cont'd…)

Macmillan Pass Project, Yukon, Canada

Property Acquisitions and Option Agreements

In February 2018, the Company exercised its option with Hudbay Minerals Inc. ("Hudbay") and acquired a 100% interest in the Tom and Jason zinc-lead-silver property and associated assets through the payment of $1,000,000 and 3,565,406 shares as well as incurring exploration expenditures of $1,250,000. The Jason claims have a third party underlying 3% net smelter return royalty ("NSR") which can be bought out at any time for $5,250,000. There are no underlying royalties on the Tom claims.

In November 2018, Company purchased 100% interest in the claims of the Nidd property which includes the Boundary Zone, from Teck Metals Ltd. and Teck Mining Worldwide Holdings Ltd. ("Teck") through the payment of 1,500,000 shares with a fair value of $1,350,000. Teck retains a 1% NSR royalty and a right of first offer to purchase future production concentrates from the Nidd property.

In October 2020, the Company exercised its option and acquired 100% interest in the claims of the Mac property from Maverix Metals Inc. ("Maverix") through staged payments totaling $292,500 and 320,000 shares. Maverix retains production royalties of 0.25% NSR on base metals and other non-precious minerals, 1% NSR on silver and other precious metals excluding gold, and 3% NSR on gold produced from the Mac property.

In September 2020, the Company exercised its option and acquired 100% interest in the MC, MP and Jerry claims from joint venture partners Epica Gold Inc. ("Epica") and Carlin Gold Corporation ("Carlin") through staged payments totaling $275,000 and 750,000 shares. Epica and Carlin together retain production royalties of 0.5% NSR on base metals and silver, and 2% NSR on all other metals including gold produced from the MC, MP and Jerry claims, and are entitled to one additional payment of $750,000 or equivalent in Fireweed shares at the Company's option, upon receiving a resource calculation of at least 2.0 million tonnes of indicated (or better) resource on any part of the MC, MP or Jerry claims. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims by Epica and/or Carlin.

On November 20, 2020, the Company entered into a purchase and sale agreement with QuestEx Gold & Copper Ltd. ("QuestEx") to acquire a 100% interest in the Sol Property as well as several small nearby separate claim blocks, which extends the Company's Macmillan Pass Project to the northwest. Under this agreement, the Company made a cash payment of $100,000 and issued 350,000 common shares to QuestEx. The total fair value of the shares issued was determined to be $353,500, based on the market price at the date of the issuance.

QuestEx retains a 0.5% NSR on all base metals and silver and a 2% NSR on all other metals including gold, which may be mined from the property. There is an additional private third-party royalty consisting of a 2% NSR on production from the Sol Property, of which 1% may be extinguished for $2,000,000.

On November 20, 2020, the Company entered in a one-year option agreement with Cathro Resources Corp. ("Cathro") and Cazador Resources Ltd. ("Cazador") to acquire a number of claims ("Oro Property") in the Macmillan Pass area for an aggregate consideration of $500,000 in cash and 1,000,000 common shares of the Company, payable as indicated in the table below. Each cash payment and share issuance will be made equally between each of the property owners.

Due Date	Cash	Common Shares
On or before January 18, 2021	$250,000 (paid)	500,000 (issued)
On or before January 13, 2022	$250,000	500,000
TOTAL	**$500,000**	**1,000,000**

The vendors retain a 0.5% NSR on all base metals and silver and a 2% NSR on all other metals including gold, which may be mined from the property.

(Expressed in Canadian Dollars)

6. Equipment

		Exploration Equipment		Computer Hardware		Vehicles (Trucks)		Total
Cost								
As at December 31, 2020	$	38,026	$	3,603	$	107,940	$	149,569
Acquisition		-		-		-		-
Balance as at September 30, 2021		**38,026**		**3,603**		**107,940**		**149,569**
Accumulated Depreciation								
As at December 31, 2020		(20,561)		(3,231)		(11,840)		(35,632)
Depreciation expense		(2,491)		(112)		(20,041)		(22,644)
Balance as at September 30, 2021		**(23,052)**		**(3,343)**		**(31,881)**		**(58,276)**
Net book value								
As at December 31, 2020	$	17,465	$	372	$	96,100	$	113,937
As at September 30, 2021	**$**	**14,974**	**$**	**260**	**$**	**76,059**	**$**	**91,293**

7. Accounts Payable and Accrued Liabilities

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

		September 30, 2021		December 31, 2020
Payable to related parties (Note 13)	$	14,795	$	15,044
Payable to vendors		574,613		214,819
Total Accounts Payable and Accrued Liabilities	**$**	**589,408**	**$**	**229,863**

8. Loan Payable

In May 2020, the Company secured a $40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program.

Terms of the CEBA agreement:

i. The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,

ii. the balance currently outstanding has been converted into a 2-year interest-free term loan effective January 1st, 2021,

iii. If $30,000 is repaid by December 31, 2022, $10,000 of the operating line will be forgiven

(Expressed in Canadian Dollars)

9. Flow-Through Premium Liability

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

Balance at December 31, 2019	**$**	**-**
Liability incurred on flow-through shares issued		**804,791**
Flow-through issuance costs		(35,659)
Settlement of flow-through liability on incurred expenditures		(769,132)
Balance at December 31, 2020	**$**	**-**
Liability incurred on flow-through shares issued		**800,609**
Flow-through issuance costs		(32,636)
Settlement of flow-through liability on incurred expenditures		(681,587)
Balance at September 30, 2021	**$**	**86,386**

On July 2, 2021, the Company issued 5,003,808 flow-through common shares at a price of $0.90 per share for gross proceeds of $4,503,427. Premiums of $0.16 per share was recorded for each of these flow-through share issuances, totaling $800,869 in flow-through liability. Share issuance costs allocated to the flow-through premium liability were $32,636.

As of September 30, 2021, the Company incurred eligible flow-through expenditures of $3,996,857 of the total flow-through funds raised. Therefore, 89% of the flow-through premium liability ($710,552) and 89% of the flow-through related share issuance costs ($28,965) were recognized on the statement of loss and comprehensive loss, resulting in the $86,386 flow-through liability balance at September 30, 2021.

On August 6, 2020, the Company issued 3,582,423 flow-through common shares at a price of $0.65 per share for gross proceeds of $2,328,575 and 1,630,000 flow-through common shares at a price of $0.76 through a charity arrangement for the proceeds of $1,238,800. Premiums of $0.12 and $0.23 per share were recorded for each of these flow-through share issuances, totaling $804,791 in flow-through liability. Share issuance costs allocated to the flow-through premium liability were $35,659.

During 2020, the Company incurred eligible flow-through expenditures of $3,567,375 of the total flow-through funds raised. Therefore, 100% of the flow-through premium liability $804,791 and 100% of the flow-through related share issuance costs $35,659 were recognized on the statement of loss and comprehensive loss, resulting in a $nil flow-through liability balance at December 31, 2020.

10. Rehabilitation Provisions

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

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

The total amount of estimated undiscounted cash flow required to settle the Company's estimated obligation as at September 30, 2021 was $237,761. The calculation of present value of estimated future cash flows assumed a discount rate of 0.67% and an inflation rate of 0.62%. Rehabilitation costs are estimated to be settled at various dates during 2028.

(Expressed in Canadian Dollars)

10. Rehabilitation Provisions (cont'd…)

Balance, December 31, 2019	**$**	**261,023**
Accretion		4,672
Change in estimate		(29,123)
Balance, December 31, 2020	**$**	**236,572**
Accretion		1,189
Balance, September 30, 2021	**$**	**237,761**

11. Capital Stock and Reserves

The authorized capital stock of the Company consists of an unlimited number of common shares without nominal or par value. As at September 30, 2021, the Company had 68,420,032 (December 31, 2020 – 56,057,112) common shares issued and outstanding.

Transactions for the nine months ended September 30, 2021

On January 13, 2021, the Company issued 250,000 common shares to Cathro and 250,000 common shares to Cazador totalling 500,000 common shares as part of the payment for the Oro Property. The fair value of the common shares at the time of issuance was $500,000 (Note 5).

On May 20, 2021, the Company closed a private placement financing for gross proceeds of $5,000,000. The financing consisted of 6,250,000 common shares of the Company at a price of $0.80 per share. In connection with the private placement, the Company incurred $113,250 share issuance costs.

On July 2, 2021 the Company closed a non-brokered private placement for aggregate gross proceeds of $4,503,427 consisting of 5,003,808 flow-through common shares $0.90 per share.

In connection with the private placement, the Company incurred aggregate cash finders' fees of $55,599.85 and issued 56,669 one-year finders' warrants, which are exercisable at the price of $0.90 per share.

The Company also issued 20,000 shares to an arm's length party for corporate finance services.

During the period ended September 30, 2021, 589,112 warrants were exercised for gross proceeds of $450,700. In connection with the issuance, a total of $50,365 was re-allocated from reserves to capital stock.

Transactions for the nine months ended September 30, 2020

On April 14, 2020, the Company closed a private placement financing for gross proceeds of $1,142,301. The financing consisted of 3,807,670 common shares of the Company at a price of $0.30 per share with a full four-year warrant exercisable at $0.60 per share but subject to accelerated expiry terms if the Company's shares trade at or above $1.00 per share for 20 consecutive days. In connection with the private placement, the Company incurred $45,882 share issuance costs, including a cash finders' fee of $30,930 and 103,099 finders' warrants with a fair value of $6,094, which are exercisable at a price of $0.40 per share until April 14, 2021.

On May 11, 2020, the Company issued 50,000 shares to Epica and Carlin each for the total of 100,000 shares as part of the third option payment for the MC, MP and Jerry Claims. The shares were valued at the closing market price of $0.375 at the date of issue (Note 4) for the total fair value of $75,000.

On May 14, 2020, the Company issued 300,000 performance shares to a former director of the Company, as per the performance shares agreement dated December 19, 2016, following the director's resignation in April 2020. The fair value of the shares was recorded at $112,500, based on the marked closing price on the date of issuance of the shares.

11. Capital Stock and Reserves (cont'd…)

Transactions for the nine months ended September 30, 2020 (cont'd…)

On August 6, 2020 the Company closed a non-brokered private placement for aggregate gross proceeds of $5,239,351 consisting of:

(i) 3,154,673 units at $0.53 per unit with each unit comprising one share and a half two-year warrant exercisable at $0.80 per share,

(ii) 3,582,423 flow-through common shares $0.65 per share, and

(iii) 1,630,000 charity flow-through units at $0.76 per unit through a charity donation arrangement with each unit consisting of one share with a half two-year warrant, each full warrant is exercisable at $0.80 per share.

In connection with the private placement, the Company incurred aggregate cash finders' fees of $131,691 and issued 232,386 one-year finders' warrants, which are exercisable at prices of:

(i) $0.60 per share for the 75,532 warrants issued for the $0.53 units,

(ii) $0.65 per share for the 71,054 warrants issued for the $0.65 flow-through shares, and

(iii) $0.76 per share for the 85,800 units issued for the $0.76 charity flow-through units.

The Company also paid 56,604 units (56,604 shares and 28,302 two-year warrants exercisable at $0.80 per share) to an arm's length party for corporate finance services.

On September 4, 2020, the Company closed a non-brokered private placement for gross proceeds of $2,064,695. The offering consisted of 3,277,293 common shares with a half two-year warrants exercisable at $0.95 per share. In connection with this private placement, the Company incurred $126,582 share issuance costs, including a cash finders' fee of $89,586 and $25,657 fair value of 142,200 finders' warrants. All finder's warrants are exercisable for 12 months from the date of issuance at an exercise price of $0.70 per share.

During the nine months ended, September 30, 2020, 105,381 warrants were exercised for gross proceeds of $62,470, in conjunction with it, a fair value of $318 was re-allocated from reserves to capital stock.

In September 2020, the Company issued 1,675,000 shares to exercise its options to acquire a 100% interest in MAC, MC, MP, Jerry, NS and BR. (Note 4).

Escrow shares

As of September 30, 2021, Nil (September 30, 2020 – Nil) common shares are held in escrow. The common shares issued in connection with IPO and held in escrow were released as to 10% on the listing date and the balance in equal 15% tranches were released every six months from the listing date.

Stock options

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

(Expressed in Canadian Dollars)

11. Capital Stock and Reserves (cont'd…)

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

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2018	2,445,000	$0.86
Granted	250,000	$0.65
Balance as at December 31, 2019	2,695,000	$0.86
Granted	1,100,000	$0.65
Forfeited	(305,000)	$0.72
Balance as at December 31, 2020	3,490,000	$0.79
Granted	1,345,000	$0.90
Balance as at September 30, 2021	**4,835,000**	**$0.82**

Share-based compensation relating to options vested during the nine months ended September 30, 2021 using the Black-Scholes option pricing model were $269,219 (2020 - $264,611), which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statement of loss and comprehensive loss.

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

	September 30, 2021	December 31, 2020
Risk-free interest rate	0.93%	0.37%
Expected life of options	5 years	5 years
Annualized volatility	73.38%	72.90%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Share price on grant date	$0.72	$0.61
Weighted average fair value of options granted	$0.41	$0.65

As at September 30, 2021, the Company had outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining life in Years	Weighted Average Exercise Price
04/26/2022	1,180,000	1,180,000	0.57	$0.50
10/27/2022	30,000	30,000	1.07	$0.70
12/06/2022	120,000	120,000	1.18	$0.83
03/14/2023	810,000	648,000	1.45	$1.45
07/11/2024	250,000	150,000	2.78	$0.65
06/10/2025	820,000	164,000	3.70	$0.59
08/25/2025	160,000	32,000	3.90	$0.71
09/18/2025	120,000	24,000	3.97	$0.99
07/07/2026	1,345,000	1,345,000	4.77	$0.80
	4,835,000	**3,693,000**	**2.22**	**$0.79**

(Expressed in Canadian Dollars)

11. Capital Stock and Reserves (cont'd…)

Share purchase warrants and agents' warrants

The share purchase warrants, agents' warrants and options activities are summarized below:

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2019	**284,744**	**$1.27**
Exercised	(226,320)	$0.61
Expired	(250,064)	$1.32
Issued	8,344,641	$0.73
Balance as at December 31, 2020	**8,153,001**	**$0.73**
Exercised	(589,112)	$0.68
Expired	(118,850)	$0.78
Issued	56,669	$0.90
Balance as at September 30, 2021	**7,501,708**	**$0.74**

During the period ended September 30, 2021, 118,850 agents' warrants expired unexercised. In addition, 589,112 common shares of the Company were issued upon the exercise of agents' warrants for gross proceeds of $450,700, while affair value of exercised warrants of $50,365 was re-allocated from reserves to capital stock. 56,669 finders' and advisory fee warrants were issued in a private placement with a fair value of $9,797. The entire amount of the finders' warrants was recorded directly to warrants reserve on the statement of financial position.

As at September 30, 2021, the Company had outstanding share purchase and agents' warrants as follows:

Expiry date (mm/dd/yyyy)	Warrants Outstanding	Weighted Average Remaining life in Years	Weighted Average Exercise Price
04/14/2024	3,622,003	2.54	$0.60
08/06/2022	2,156,087	0.85	$0.80
09/04/2022	1,638,647	0.93	$0.95
07/06/2023	56,669	1.76	$0.90
	7,501,708	**1.69**	**$0.74**

During the nine months ended September 30, 2020, 250,064 agents' warrants expired unexercised, 7,838,654 share purchase warrants were issued in a private placement and 505,987 finders' and advisory fee warrants with a fair value of $65,310 were granted.

The fair value of the agents' warrants was determined using the Black Scholes option valuation model with the assumptions indicated below:

	September 30, 2021	December 31, 2020
Risk-free interest rate	0.25%	0.27%
Expected life of warrants	1 year	1-2 years
Annualized volatility	74.78%	79.34%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Share price on grant date	$0.75	$0.51
Weighted average fair value of warrants granted	$0.32	$0.13

(Expressed in Canadian Dollars)

12. Related Party Transactions

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

The remuneration to directors and key management personnel during the period ended September 30, 2021 and 2020 was as follows:

Nature of the transaction		Nine months ended September 30, 2021		Nine months ended September 30, 2020
Director and committee fees	$	92,250	$	95,601
Investor relations and corporate development		2,483		4,017
Management and consulting fees		298,878		249,854
Management and consulting fees related to exploration and evaluation*		8,581		16,947
Share-based compensation		137,634		80,853
Total compensation	**$**	**539,826**	**$**	**447,272**

* Management and consulting fees related to exploration and evaluation were previously capitalized but due to the accounting policy change (Note 4) are expensed as incurred.

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

			September 30, 2021		December 31, 2020
Directors	Director and committee fees	$	-	$	-
Key management	Management fees and expense recoveries		14,795		15,044
		$	**14,795**	**$**	**15,044**

13. Segmented Information

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

14. 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 and exploration of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company may continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has or feels it can raise adequate financial resources to do so. The Company is not subject to any externally imposed capital requirements and there were no changes to management's approach to capital manager during the period ended September 30, 2021.

15. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

Financial instrument	IFRS 9 Classification
Cash	Fair value through profit or loss
Receivables	Financial asset measured at amortized cost
Reclamation bond	Financial asset measured at amortized cost
Loan payable	Financial liability measured at amortized cost
Accounts payable and accrued liabilities	Financial liability measured at amortized cost

Fair Value

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

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

The fair value of the Company's receivables, reclamation bond, loan payable 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 of $247,678 primarily consist of Goods and Services Tax ("GST") recoverable from the Federal Government of Canada. The Company believes its exposure to credit risk is equal to the carrying value of this balance. The Company has exposure to credit risk with respect to its cash as it places most of its cash in one financial institution in Canada. The Company believes its exposure is limited as it banks with a large Canadian institution.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2021, the Company had a cash balance of $4,444,730 to settle current liabilities of $471,274. The Company believes it has sufficient funds to meet its current liabilities as they become due.

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

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2021, the Company is not exposed to significant interest rate risk.

(Expressed in Canadian Dollars)

15. Financial Instruments and Risk Management (cont'd…)

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.

16. Commitment

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

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

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

Under the terms of the performance shares agreement above, the Company issued 300,000 performance shares to a former director on May 14, 2020, following his resignation in April 2020 .

17. Subsequent Events

A total of 4000 stock options were exercised for gross proceeds of $2,360 subsequent to September 30, 2021.