

# FIREWEED ZINC LTD.

(An Exploration Stage Company)

(Unaudited - Expressed in Canadian Dollars)

Interim Financial Statements

**September 30, 2020 and 2019**

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**Notice of non-review of condensed interim financial statements**

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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, 2020 have not been reviewed by the Company's auditors.

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# FIREWEED ZINC LTD.

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

	Note	September 30, 2020	December 31, 2019
<b>Assets</b>			
Current assets:			
Cash		\$ 6,054,964	\$ 783,789
Receivables		128,172	30,147
Prepaid expenses		260,136	151,170
		6,443,272	965,106
Equipment	5	122,695	22,042
Reclamation bond		39,596	39,596
Exploration and evaluation assets	4	29,140,563	24,437,449
		\$ 35,746,126	\$ 25,464,193
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities	6, 11	\$ 1,481,304	\$ 288,800
Loan payable	7	40,000	-
		1,521,304	288,800
Deferred tax liability		1,412,965	874,000
Flow-through premium liability	8	338,755	-
Rehabilitation provisions	9	264,527	261,023
		3,537,551	1,423,823
Shareholders' equity:			
Capital stock	10	36,062,909	26,879,253
Options reserve	10	1,708,013	1,532,985
Warrants reserve	10	198,902	133,910
Deficit		(5,761,249)	(4,505,778)
		32,208,575	24,040,370
		\$ 35,746,126	\$ 25,464,193

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

On behalf of the Board:

"Brandon Macdonald" Director

"George Gorzynski" Director

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

# FIREWEED ZINC LTD.

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

	Note	Three months ended		Nine months ended	
		September 30		September 30	
		2020	2019	2020	2019
<b>Expenses</b>					
Consulting and management	11	\$ 106,218	\$ 97,828	\$ 316,009	\$ 370,849
Depreciation	5	5,069	1,544	7,287	4,389
Director and committee fees	11	27,226	36,750	95,601	110,250
Investor relations and corporate development		104,409	102,383	213,190	266,952
Insurance expense		3,750	3,500	10,833	9,188
Office and payroll expenses		11,948	22,993	37,340	45,339
Professional fees		26,159	5,600	71,377	46,083
Rent		11,090	10,781	32,875	45,587
Share-based compensation	10,15	87,406	92,705	287,528	314,986
Transfer agent & filing fees		48,282	8,038	75,425	32,502
Travel		3,844	16,628	11,804	38,695
		(435,401)	(398,750)	(1,159,269)	(1,284,820)
Accretion on rehabilitation provision	9	(1,168)	-	(3,504)	-
Amortization of flow-through liability		430,377	415,219	430,377	600,756
Foreign exchange		4,386	(376)	4,303	100
Interest income		6,639	17,008	11,587	64,541
<b>Loss before income taxes</b>		<b>\$ 4,833</b>	<b>\$ 33,101</b>	<b>\$ (716,506)</b>	<b>\$ (619,423)</b>
Deferred income tax		(538,965)	(580,403)	(538,965)	(839,752)
<b>Loss and comprehensive loss for the period</b>		<b>\$ (534,132)</b>	<b>\$ (547,302)</b>	<b>\$ (1,255,471)</b>	<b>\$ (1,459,175)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.04)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>48,297,866</b>	<b>36,807,075</b>	<b>42,480,919</b>	<b>35,576,457</b>

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, 2020	September 30, 2019
<b>OPERATING ACTIVITIES</b>			
Loss for the period		\$ (1,255,471)	\$ (1,459,175)
Adjustment for items not affecting cash:			
Amortization of flow-through liability	8	(430,377)	(600,756)
Accretion on rehabilitation provision	9	3,504	-
Deferred income tax		538,965	839,752
Depreciation	5	7,287	4,389
Share-based compensation	10,15	287,528	314,986
Change in non-cash working capital items:			
Receivables		(98,025)	(99,183)
Prepaid expenses		(108,966)	(31,380)
Accounts payable and accrued liabilities	6	(34,290)	(30,746)
		<b>(1,089,845)</b>	<b>(1,062,113)</b>
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation assets	4	(1,844,320)	(3,892,174)
Equipment	4	(107,940)	-
		<b>(1,952,260)</b>	<b>(3,892,174)</b>
<b>FINANCING ACTIVITIES</b>			
Capital stock		8,446,348	5,013,992
Share issue costs		(235,220)	(223,806)
Proceeds from warrants exercised		62,152	189,000
Proceeds from loan	7	40,000	-
		<b>8,313,280</b>	<b>4,979,186</b>
Increase (decrease) in cash		5,271,175	24,899
<b>Cash, beginning of the period</b>		<b>\$ 783,789</b>	<b>\$ 1,575,784</b>
<b>Cash, end of the period</b>		<b>\$ 6,054,964</b>	<b>\$ 1,600,683</b>

### Supplemental disclosures with respect to cash flows:

Non-cash investing and financing activities:			
Exploration and evaluation expenditures			
included in accounts payable		\$ 1,226,794	\$ 442,236
Fair value of finders' warrants		65,310	10,094
Fair value of shares issued for property	4,10	1,632,000	169,163
Fair value of performance shares issued	10,15	112,500	-
Fair value of exercised finders' warrants		318	99,016
Flow-through premium liability		804,791	649,609
Share-issue costs allocated to flow-through premium		35,659	48,853

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)

	Notes	Capital Stock		Warrants reserve	Options reserve	Deficit	Total
		Shares	Amount				
<b>Balance at December 31, 2018</b>		<b>31,696,776</b>	<b>\$ 22,242,738</b>	<b>\$ 222,832</b>	<b>\$ 1,152,711</b>	<b>\$ (3,138,381)</b>	<b>\$ 20,479,900</b>
Shares issued for resource property	4,10	266,875	169,163	-	-	-	169,163
Shares issued in private placement	10	2,379,750	1,903,800	-	-	-	1,903,800
Flow-through shares issued in private placement	8,10	3,075,728	2,509,436	-	-	-	2,509,436
Share issue costs	10	-	(233,900)	10,094	-	-	(223,806)
Share-based compensation	10	-	-	-	314,986	-	314,986
Warrants exercised	10	378,000	288,016	(99,016)	-	-	189,000
Loss for the period		-	-	-	-	(1,459,175)	(1,459,175)
<b>Balance at September 30, 2019</b>		<b>37,797,129</b>	<b>\$ 26,879,253</b>	<b>\$ 133,910</b>	<b>\$ 1,467,697</b>	<b>\$ (4,597,556)</b>	<b>\$ 23,883,304</b>
<b>Balance at December 31, 2019</b>		<b>37,797,129</b>	<b>\$ 26,879,253</b>	<b>\$ 133,910</b>	<b>\$ 1,532,985</b>	<b>\$ (4,505,778)</b>	<b>\$ 24,040,370</b>
Shares issued for resource property	4,10	1,875,000	1,632,000	-	-	-	1,632,000
Shares issued in private placement	10	10,239,636	4,878,972	-	-	-	4,878,972
Flow-through shares issued in private placement	8,10	5,212,423	2,798,244	-	-	-	2,798,244
Share issue costs	10	56,604	(300,530)	65,310	-	-	(235,220)
Share-based compensation	10	300,000	112,500	-	175,028	-	287,528
Warrants exercised	10	105,381	62,470	(318)	-	-	62,152
Loss for the period		-	-	-	-	(1,255,471)	(1,255,471)
<b>Balance at September 30, 2020</b>		<b>55,586,173</b>	<b>\$ 36,062,909</b>	<b>\$ 198,902</b>	<b>\$ 1,708,013</b>	<b>\$ (5,761,249)</b>	<b>\$ 32,208,575</b>

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

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
(Expressed in Canadian Dollars)

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## 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 and NS) in Yukon, Canada (collectively, the “Project”). The Company is listed on the TSX Venture Exchange and trades under the symbol FWZ.

The Company’s head office and principal address is Suite 1020 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The registered and records office is 3081 3<sup>rd</sup> 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, 2020, 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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its full effects on the Company’s business or ability to raise funds.

The financial statements for the period ended September 30, 2020 have been prepared by management, reviewed by the Audit Committee and authorized for issue by the Board of Directors on November 18, 2020.

## 2. Basis of Presentation and Statement of Compliance.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. In addition, these interim financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at September 30, 2020 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2019. 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, 2020.

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.

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
(Expressed in Canadian Dollars)

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## 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, 2019.

### **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***

#### 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.

#### 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, 2020 and 2019 is disclosed in Note 10.

#### Rehabilitation provision

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



# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
(Expressed in Canadian Dollars)

## 4. Exploration and Evaluation Assets

<b>Macmillan Pass Project (Yukon, Canada)</b>	<b>Nine Months Ended September 30, 2020</b>		<b>Fiscal Year Ended December 31, 2019</b>	
Acquisition and maintenance costs:				
Opening balance	\$	8,685,780	\$	8,226,892
<i>Additions during the period:</i>				
Cash payments		191,430		289,725
Shares issued		1,632,000		169,163
		1,823,430		458,888
<b>Total acquisition costs</b>		<b>10,509,210</b>		<b>8,685,780</b>
Exploration costs:				
Opening balance		15,751,669		11,436,663
<i>Additions during the period:</i>				
Assaying		36,061		220,260
Camp and field		934,660		1,000,780
Drilling		469,484		845,070
Engineering		55,044		115,316
Geological Consulting		1,146,258		1,812,011
Legal Fees		-		4,318
Insurance and other		9,058		17,607
Permitting		58,699		39,870
Rehabilitation provisions		-		-
Reporting		29,276		65,102
Travel & Support		141,144		194,672
		2,879,684		4,315,006
<b>Total exploration costs</b>		<b>18,631,353</b>		<b>15,751,669</b>
<b>Ending balance</b>	<b>\$</b>	<b>29,140,563</b>	<b>\$</b>	<b>24,437,449</b>

### **Macmillan Pass Project, Yukon, Canada**

#### *Option Agreement with Hudbay*

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

During the year ended December 31, 2018, the Company incurred the required exploration expenditures of \$1,250,000 under the option agreement and, accordingly, exercised its option by paying a total of \$1,000,000 cash and issuing 3,565,406 shares to acquire a 100% interest in the Tom Jason property.

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

## FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
(Expressed in Canadian Dollars)

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### 4. Exploration and Evaluation Assets (cont'd...)

#### Macmillan Pass Project, Yukon, Canada (cont'd...)

##### *Option Agreement with Newmont/Maverix*

On July 24, 2017, the Company entered into an option agreement with Newmont Canada Holdings, ULC ("Newmont"), whereby the Company can acquire a 100% interest in the MAC claims located on the northwest extension of the Company's Tom Jason claims by paying \$450,000 in staged cash payments over four years, maintaining the MAC claims in good standing, and granting Newmont a 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. Newmont will also have an exclusive but limited 30 days right of first offer on any future proposed sale, transfer or disposition by the Company of its interest in the MAC claims. The MAC claims are considered part of the Macmillan Pass project cash generating unit. On June 29, 2018 Newmont sold the MAC claims option agreement to Maverix Metals Inc. ("Maverix") as part of a larger transaction and as such the new registered owner and optionor of the MAC claims became Maverix.

In July 2019, the Company entered into an amending agreement with Maverix modifying the second anniversary payment clause from \$95,000 cash payment to \$50,000 in cash and 95,000 common shares of the Company. On August 7, 2020, Maverix and the Company signed another amendment to the option agreement changing the fourth anniversary cash payment from \$115,000 to \$2,500 cash and 225,000 shares. In all other respects the option agreement remained unchanged. In September 2020, the Company exercised the option agreement and acquired 100% of the MAC claims. The schedule below summarizes final option payment terms between the Company and Maverix:

<b>Due Date</b>	<b>Amount</b>	<b>Common Shares</b>
July 24, 2017 (signing of the option)	\$50,000	-
July 24, 2018 (first anniversary)	\$80,000	-
July 24, 2019 (second anniversary)	\$50,000	95,000
July 24, 2020 (third anniversary)	\$110,000	-
July 24, 2021 (fourth anniversary)	\$2,500	225,000
<b>TOTAL</b>	<b>\$292,500 (paid)</b>	<b>320,000 (issued)</b>

##### *Option Agreement with Constantine Metal Resources Ltd./Epica Gold Inc. and Carlin Gold Corporation*

In March 2018, the Company entered into a mineral property option agreement with Constantine Metal Resources Ltd. ("Constantine") and Carlin Gold Corporation ("Carlin") to purchase the MC, MP and Jerry Claims.

On July 31, 2019, Constantine transferred its rights, title and interest in and to the Constantine claims and assigned its right and interest in and to the aforementioned agreement, to its wholly-owned subsidiary, Epica Gold Inc. ("Epica") and later transferred 100% interest in Epica to its spinoff company, HighGold Mining Inc. (TSX.V: High).

On May 6, 2020, the Company entered into an amending agreement with Epica and Carlin deferring the third share payment to the period on or before May 14, 2020 and the third cash payment of \$150,000 until August 9, 2020. A total of 100,000 shares (50,000 shares each) were issued to Carlin and Epica on May 11, 2020.

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
(Expressed in Canadian Dollars)

## 4. Exploration and Evaluation Assets (cont'd...)

### Macmillan Pass Project, Yukon, Canada (cont'd...)

*Option Agreement with Constantine Metal Resources Ltd./Epica Gold Inc. and Carlin Gold Corporation (cont'd...)*

On August 11, 2020, Epica, Carlin and the Company signed another amendment to the option agreement, allowing the Company to exercise the option upon issuance of 350,000 shares to Epica, and payment of \$75,000 and 200,000 shares to Carlin within five days of TSX Venture Exchange approval of the amendment.

In September 2020, the Company exercised its option and acquired a 100% interest in the MC, MP, and Jerry claims (the "Epica-Carlin claims") This schedule reflects the payments made to exercise the option agreement:

<b>Due Date</b>	<b>Cash</b>	<b>Common shares</b>
Exchange approval of the option agreement (May 9, 2018)	\$75,000	50,000
On or before May 9, 2019	\$125,000	50,000
On or before May 14, 2020	-	100,000
Within 5 days of TSX.V approval of the August 11, 2020 amendment to the option agreement	\$75,000	550,000
<b>TOTAL</b>	<b>\$275,000 (paid)</b>	<b>750,000 (issued)</b>

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

*Option Agreement with Golden Ridge Resources Ltd.*

In April 2018, the Company entered into a mineral property option agreement with Golden Ridge Resources Ltd. ("Golden Ridge") extending the Company's Macmillan Pass Project land position.

This option allows the Company to acquire a 100% interest in a number of quartz claim tenures from Golden Ridge ("BR and NS claims"). During the year ended December 31, 2019 the Company signed an amending agreement under which the cash payment of \$37,500 was made and 121,875 shares issued in May 2019 representing a second installment towards 100% interest in BR and NS claims.

On May 6, 2020, Golden Ridge and the Company signed an amending agreement to delay the May 9, 2020 initially agreed cash payment of \$150,000 to August 2020. A total of 100,000 shares were issued to Golden Ridge on May 11, 2020.

On August 7, 2020, Golden Ridge and the Company signed another amendment, allowing the Company to exercise the option by issuing 900,000 shares to Golden Ridge. In September 2020, the Company exercised the property option. This schedule reflects the payments made to exercise the option agreement:

<b>Due Date</b>	<b>Cash</b>	<b>Common shares</b>
Exchange approval of the option agreement (May 9, 2018)	\$75,000	75,000
On or before May 9, 2019	\$37,500	121,875
On or before May 9, 2020	-	100,000
On or before August 9, 2020	-	900,000
<b>TOTAL</b>	<b>\$112,500 (paid)</b>	<b>1,196,875 (issued)</b>

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
(Expressed in Canadian Dollars)

## 4. Exploration and Evaluation Assets (cont'd...)

### Macmillan Pass Project, Yukon, Canada (cont'd...)

*Option Agreement with Golden Ridge Resources Ltd. (cont'd...)*

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

Golden Ridge will retain the right to receive NSR royalties on any future mine production from the BR and NS claims as follows: 0.5% NSR on base metals and silver, and 2% NSR on all other metals, including gold. There is also a third party 3% NSR on any future cobalt production from the BR and NS claims. The Company will have the right to purchase one-half of these NSR royalties (excluding the cobalt royalty) for \$2,000,000 at any time prior to the commencement of commercial production. The Company maintains a right of first refusal on the sale of any NSR royalty from the BR and NS claims by Golden Ridge.

*Acquisition of Nidd Property*

On November 2, 2018, the Company entered into a purchase and sale agreement with Teck Metals Ltd. and Teck Mining Worldwide Holdings Ltd. ("Teck"), to acquire the right, title and interest in and to the Nidd property on the western extension of the Macmillan Pass Zinc Project in Yukon.

On November 27, 2018, as per the terms of the purchase and sale agreement, the Company issued 1,500,000 common shares of the Company with a fair value of \$1,350,000 and granted Teck a 1% NSR on the production from the Nidd Property. The fair value of the shares issued was determined based on the market price at the date of the issuance.

## 5. Property, Plant and Equipment

	Exploration Equipment	Computer Hardware	Vehicles (Trucks)	Total
<b>Cost</b>				
As at December 31, 2018 and 2019	\$ 38,026	\$ 3,603	\$ -	\$ 41,629
Acquisition	-	-	107,940	107,940
<b>Balance as at September 30, 2020</b>	<b>38,026</b>	<b>3,603</b>	<b>107,940</b>	<b>149,569</b>
<b>Accumulated Depreciation</b>				
As at December 31, 2018	(11,223)	(2,513)	-	(13,736)
Depreciation expense	(5,360)	(491)	-	(5,851)
As at December 31, 2019	(16,583)	(3,004)	-	(19,587)
Depreciation expense	(3,059)	(180)	(4,048)	(7,287)
<b>Balance as at September 30, 2020</b>	<b>(19,642)</b>	<b>(3,184)</b>	<b>(4,048)</b>	<b>(26,874)</b>
<b>Net book value</b>				
As at December 31, 2019	\$ 21,443	\$ 599	\$ -	\$ 22,042
<b>As at September 30, 2020</b>	<b>\$ 18,384</b>	<b>\$ 419</b>	<b>\$ 103,892</b>	<b>\$ 122,695</b>

## 6. 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:

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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## 6. Accounts Payable and Accrued Liabilities (cont'd...)

	September 30, 2020		December 31, 2019	
Payable to related parties	\$	43,140	\$	124,688
Payable to vendors		1,438,164		164,112
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$</b>	<b>1,481,304</b>	<b>\$</b>	<b>288,800</b>

## 7. 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:

- The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,
- If there is a balance outstanding after December 31, 2020, the remaining outstanding amount will be converted into a 2-year interest-free term loan effective January 1st, 2021,
- If \$30,000 is repaid by December 31, 2022, \$10,000 of the operating line will be forgiven,
- On December 31, 2022, the Company may choose to exercise an option to extend the term loan for another 3 years at the rate of 5% per annum on any balance remaining.

## 8. 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:

<b>Balance at December 31, 2018</b>	<b>\$</b>	<b>-</b>
Liability incurred on flow-through shares issued		<b>649,609</b>
Flow-through issuance costs		(48,853)
Settlement of flow-through liability on incurred expenditures		(600,756)
<b>Balance at December 31, 2019</b>	<b>\$</b>	<b>-</b>
Liability incurred on flow-through shares issued		<b>804,791</b>
Flow-through issuance costs		(35,659)
Settlement of flow-through liability on incurred expenditures		(430,377)
<b>Balance at September 30, 2020</b>	<b>\$</b>	<b>338,755</b>

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 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.

As of September 30, 2020 the Company incurred eligible flow-through expenditures of \$1,996,167 of the total flow-through funds raised. Therefore, 56% of the flow-through premium liability (\$450,330) and 56% of the flow-through related share issuance costs (\$19,953) were recognized on the statement of loss and comprehensive loss, resulting in the \$338,755 flow-through liability balance at September 30, 2020.

## FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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### 8. Flow-Through Premium Liability (cont'd...)

The deferred income tax of \$538,965 was recognized for the nine months ended September 30, 2020, based on the eligible flow-through expenditures incurred in the period and the statutory tax rate of 27%.

On February 15, 2019, the Company issued 1,820,728 flow-through common shares at a price of \$0.95 per share for gross proceeds of \$1,729,692 and 1,255,000 flow-through shares at a price of \$1.10 through a charity arrangement for the proceeds of \$1,380,500. Premiums of \$0.15 and \$0.30 per share were recorded for each of these flow-through share issuances, totaling \$649,609 in flow-through liability. Share issuance costs allocated to the flow-through premium liability were \$48,853.

During 2019, the Company incurred eligible flow-through expenditures in excess of the \$3,110,192 of the total flow-through funds raised. Therefore, 100% of the flow-through premium liability (\$649,609) and 100% of the flow-through related share issuance costs (\$48,853) were recognized on the statement of loss and comprehensive loss, resulting in the \$Nil flow-through liability balance at September 30, 2019.

The deferred income tax of \$839,752 was recognized for the year ended December 31, 2019, based on the eligible flow-through expenditures incurred in the period and the statutory tax rate of 27%.

### 9. Rehabilitation Provisions

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

Although the ultimate amount of the rehabilitation liability is uncertain, the best estimate of these obligations is based on information currently available. Current significant closure and rehabilitation activities include dismantling and removing camp facilities, 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, 2020 was \$234,596. The calculation of present value of estimated future cash flows assumed a discount rate of 1.79% and an inflation rate of 2.70%. Rehabilitation costs are estimated to be settled at various dates during 2028.

	<b>September 30, 2020</b>
<b>Balance, December 31, 2018</b>	<b>\$ 256,433</b>
Accretion	4,590
<b>Balance, December 31, 2019</b>	<b>\$ 261,023</b>
Accretion	3,504
<b>Balance, September 30, 2020</b>	<b>\$ 264,527</b>

### 10. 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, 2020, the Company had 55,586,173 (December 31, 2019 – 37,797,129) common shares issued and outstanding.

#### **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.

## FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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### 10. Capital Stock and Reserves (cont'd...)

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

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.

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).

#### Transactions for the nine months ended September 30, 2019

The Company closed a non-brokered private placement for gross proceeds of \$5,013,992 on February 15, 2019. The Company issued a total of 2,379,750 common shares at a price of \$0.80 per share, 1,820,728 flow-through common shares at a price of \$0.95 and 1,255,000 charity flow-through common shares at a price of \$1.10 through a donation arrangement. An associated flow-through liability of \$649,609 was recognized on the statement of financial position (Note 8).

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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## 10. Capital Stock and Reserves (cont'd...)

### Transactions for the nine months ended September 30, 2019 (cont'd...)

The Company incurred a total of \$233,900 issue costs, \$48,853 of which was allocated to flow-through share issue costs. The issue costs included 6% finders' cash commission (\$36,237) and a fair value of 34,680 agents' warrants in the amount of \$10,094 as well as other legal, advisory and filing fees. All the agent's warrants are exercisable at \$0.95 for a period of two years from the grant date.

During the nine months ended September 30, 2019, the Company issued 378,000 shares on the exercise of agent's warrants for the total proceeds of \$189,000 and allocated a fair value of \$99,016 from reserves to capital stock.

On May 3, 2019, the Company issued 25,000 shares to Constantine and Carlin each for the total of 50,000 shares as part of the second option payment for the MC, MP and Jerry Claims. The shares were valued at the closing market price of \$0.67 at the date of issue (Note 4) for the total fair value of \$33,500.

On May 27, 2019, Fireweed issued 121,875 shares to Golden Ridge for NS and BR claims, as per the option agreement amendment effective April 15, 2019 (Note 4). The fair value of the shares issued was \$85,313, based on the closing market price at the share issue date.

On August 12, 2019, the Company issued 95,000 shares to Maverix for MAC claims, as per the option agreement amendment effective July 23, 2019 (Note 4). The fair value of the shares issued was \$50,350, based on the closing market price at the share issue date.

### Escrow shares

As of September 30, 2020, \$Nil (December 31, 2019 – 1,713,811) 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.

On February 2, 2018, the Company issued 3,565,406 shares to Hudbay upon exercise of the option to acquire 100% interest in the Tom Jason property (Note 4), which were placed in escrow with 25% of shares released on Feb 6, 2018 and another 15% released on May 29, 2018. The balance was released in equal 15% tranches every six months.

The remaining shares held in escrow were released on May 29, 2020.

### 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.



## FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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### 10. Capital Stock and Reserves (cont'd...)

#### Stock options (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)	\$0.71
<b>Balance as at September 30, 2020</b>	<b>3,490,000</b>	<b>\$0.79</b>

Share-based payments relating to options vested during the period ended September 30, 2020 using the Black-Scholes option pricing model were \$175,028 (2019 - \$131,470), 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.

On September 18, 2020, the Company granted 120,000 options for a five-year term to its newly appointed Senior Vice President, Projects. The options vest 20% every 6 months following the grant date and are exercisable at \$0.99 per share.

On August 25, 2020, the Company granted 160,000 options to its new director. The options vest 20% every 6 months following the grant date and are exercisable at \$0.71 for five years.

On June 10, 2020, the Company granted a total of 820,000 stock options to its employees and consultants, exercisable at \$0.59 per share for a five-year term. They options vest 20% every 6 months following the grant date.

During the nine months ended September 30, 2019, the Company granted a total of 250,000 stock options to its employees and consultants, exercisable at \$0.65 per share for a five-year term. The options vest 20% every 6 months following the grant date.

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

	September 30, 2020	December 31, 2019
Risk-free interest rate	0.37%	1.56%
Expected life of options	5 years	5 years
Annualized volatility	72.90%	62.66%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Share price on grant date	\$0.65	\$0.57
Weighted average fair value of options granted	\$0.35	\$0.29

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Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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## 10. Capital Stock and Reserves (cont'd...)

### Stock options (cont'd...)

As at September 30, 2020, 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	1.57	\$0.50
10/27/2022	30,000	30,000	2.07	\$0.70
12/06/2022	120,000	120,000	2.18	\$0.83
03/14/2023	810,000	648,000	2.45	\$1.45
07/11/2024	250,000	100,000	3.78	\$0.65
06/11/2025	820,000	-	4.70	\$0.59
08/25/2025	160,000	-	4.90	\$0.71
09/18/2025	120,000	-	4.97	\$0.99
	<b>3,490,000</b>	<b>2,078,000</b>	<b>2.96</b>	<b>\$0.79</b>

### Share purchase warrants, agents' warrants and compensation options

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

	Number of Warrants	Weighted Average Exercise Price
<b>Balance as at December 31, 2018</b>	<b>628,064</b>	<b>\$0.83</b>
Issued	34,680	\$0.95
Exercised	(378,000)	\$0.50
<b>Balance as at December 31, 2019</b>	<b>284,744</b>	<b>\$1.27</b>
Exercised	(105,381)	\$0.59
Expired	(250,064)	\$1.32
Issued	8,344,641	\$0.73
<b>Balance as at September 30, 2020</b>	<b>8,273,940</b>	<b>\$0.73</b>

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.

As at September 30, 2020, the Company had outstanding share purchase and agents' warrants outstanding as follows:

Expiry date (mm/dd/yyyy)	Warrants Outstanding	Weighted Average Remaining life in Years	Weighted Average Exercise Price
02/15/2021	34,680	0.38	\$0.95
04/20/2024	3,707,670	3.54	\$0.60
04/20/2021	97,718	0.54	\$0.40
08/06/2022	2,392,337	1.85	\$0.80
08/06/2021	28,302	0.85	\$0.80
08/06/2021	85,800	0.85	\$0.76
08/06/2021	97,454	0.85	\$0.60
08/06/2021	49,132	0.85	\$0.65
09/04/2022	1,638,647	1.93	\$0.95
09/04/2021	142,200	0.93	\$0.70
	<b>8,273,940</b>	<b>2.55</b>	<b>\$0.73</b>

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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## 10. Capital Stock and Reserves (cont'd...)

### Share purchase warrants, agents' warrants and compensation options (cont'd...)

During the year ended December 31, 2019, the Company issued 34,680 agents' warrants with a fair value of \$10,094. In addition, 378,000 common shares of the Company were issued upon the exercise of agent warrants for gross proceeds of \$189,000.

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

	September 30, 2020	December 31, 2019
Risk-free interest rate	0.27%	1.78%
Expected life of options	1-2 years	2 years
Annualized volatility	79.34%	66.65%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%
Weighted average share price on grant date	\$0.51	\$0.87
Weighted average fair value of the warrants granted	\$0.13	\$0.29

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

## 11. Related Party Transactions

Related party transactions mainly include management and consulting fees, director and committee fees as well as share-based compensation. The related parties are 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, 2019 and 2020 was as follows:

Nature of the transaction		Nine months ended September 30, 2020		Nine months ended September 30, 2019
Director and committee fees	\$	95,601	\$	110,250
Investor relations and corporate development		4,017		-
Management and consulting fees expensed		249,854		312,968
Management and consulting fees capitalized to exploration and evaluation		16,947		23,783
Share-based compensation		80,853		130,637
	\$	<b>447,272</b>	\$	<b>577,638</b>

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, 2020	December 31, 2019
Directors	Director and committee fees	\$ 18,976	\$ 110,250
Key management	Management fees and expense recoveries	24,164	14,438
		<b>\$ 43,140</b>	<b>\$ 124,688</b>

# FIREWEED ZINC LTD.

Notes to the Condensed Interim Financial Statements for the Nine Months Ended September 30, 2020  
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## 12. 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.

## 13. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition 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, 2020.

## 14. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

Financial instrument	IFRS 9 Classification
Cash	Fair value through profit and loss
Receivables	Financial asset measured at amortized cost
Reclamation bond	Financial asset 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, 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.

## FIREWEED ZINC LTD.

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### 14. Financial Instruments and Risk Management (cont'd...)

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 \$128,172 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, 2020, the Company had a cash balance of \$6,054,964 to settle current liabilities of \$1,521,304. 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, 2020, the Company is not exposed to significant interest rate risk.

#### *Price risk*

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

#### *Foreign currency risk*

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

### 15. Commitment

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

## FIREWEED ZINC LTD.

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### 15. Commitment (cont'd...)

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 <sup>(1)</sup>	Preparation of a positive Pre-Feasibility Study of the Tom and Jason deposits (or any part thereof).
Balance <sup>(1)</sup>	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 (see Note 10 for more details).

### 16. Subsequent Event

Subsequent to the period ended September 30, 2020, 89,789 warrants were exercised for gross proceeds of \$53,949.