ZincX Resources Corp.
(formerly Canada Zinc Metals Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2018

1.1 Date

This Management Discussion and Analysis ("MD&A") of ZincX Resources Corp. (the "Company" or "ZincX") has been prepared by management as of October 23, 2018 and should be read in conjunction with the consolidated audited financial statements and related notes thereto of the Company for the years ended June 30, 2018 and 2017, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

The Company is presently a "Venture Issuer", as defined in NI 51-102. Effective May 7, 2018, the Company changed its name from Canada Zinc Metals Corp. to ZincX Resources Corp. and commenced trading its shares on the TSX Venture Exchange ("TSX-V") under the new name and symbol ZNX.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the issuer, including potential business or mineral property acquisitions and negotiation and closing of future financings. The issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions.

These forward-looking statements include statements regarding the success of exploration activities, permitting time lines, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors including but not limited to changes in commodity prices and, particularly, zinc prices, access to skilled personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Readers should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur.

1.2 Overall Performance

The Company was incorporated under the laws of the Province of British Columbia on February 10, 1988. The Company operates in one business segment, that being the exploration and development of mineral properties in Canada. As at the date hereof, the Company has mining interests in properties located in British Columbia.

Significant events and operating highlights for the year ended June 30, 2018 and up to the date of these MD&A:

- **Preliminary Economic Assessment (PEA)**

  In June 2018, the Company announced the completion of a PEA, authored by JDS Energy & Mining Inc. of Vancouver, B.C., and filed a technical report prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") for its 100-per-cent-owned zinc-lead-silver Cardiac Creek deposit, located on the Akie property in northeast British Columbia, Canada. The technical report, including the PEA, can be found under ZincX's issuer profile on Sedar (www.sedar.com) and on the Company's website (www.zincxresources.com).

The PEA indicates that the Akie project is potentially economically viable and technically feasible and, in management's opinion, its completion is a significant step in advancing Cardiac Creek deposit to a production decision. The positive results outlined in the PEA demonstrate a robust, stand-alone base metal project with a large and potentially growing resource base, all-season access, good rail and road infrastructure, and amenable to conventional mining and milling practices common to similar projects. This project has significant exposure to zinc given the almost 10 to 1 zinc to lead ratio in payable metal production over life of mine.

- **2018 Akie drilling program**

In early September 2018, the Company concluded its 2018 drilling program that commenced in June 2018. A total of 5 drill holes were successfully drilled on various property targets that total 2,013 metres of diamond drilling.

2018 drill program highlights:

- First-ever drill test of the massive Sitka barite surface showing where previous channel sampling in 2013 returned high-grade zinc-lead assay results;
- Drill test of the southeastern strike extent of the Cardiac Creek deposit beyond the current limits of the resource model;
- Drill test of the downdip extent of the north lead zone target where previous drilling intersected extensive intervals of bedded pyrite mineralization highly anomalous in zinc and lead;
- Drill test of the projected Sitka mineralized target approximately 400 metres to the southeast of the Sitka showing;

- **Metallurgical Testing**

In March 2018, the Company completed a comprehensive metallurgical testing program on several drill-core composites from the 2017 drill program. The objective of the test program was to assess the metallurgical performance of the deposit using heavy media pre-concentration followed by conventional flotation processes to recover lead and zinc into saleable concentrates. A total of 16 composites from five drill holes were prepared, totaling approximately 430 kg of material. The composites consist of one global composite and 3 composites per hole: representing the hangingwall, the main Cardiac Creek zone, and the footwall zone for each intercept.

- **2017 Akie drilling program**

The Company concluded the 2017 Akie drilling program in late August 2017. A total of 8 drill holes were successfully drilled on the Cardiac Creek deposit for an approximate total of 4,700 metres. The program focused on the expansion of the indicated resource and new target development on the robust and high-grade central core of the deposit.

- **Permit Extensions**

The Company has received a 3-year extension to its Akie Underground Exploration Permit to December 31, 2020. Although the Underground Program has not yet commenced, the Company has diligently continued to collect both environmental baseline and monitoring data to ensure compliance with the Mines Act, the Health, Safety and Reclamation Code for Mines in British Columbia, the Mineral Exploration Permit and the Effluent Discharge Permit, as issued from the Ministry of Environment. This work includes surface and groundwater quality sampling data, turbidity monitoring, and ongoing rock characterization. In the period from 2011 to 2016, the Company was able to complete certain surface construction tasks, including construction of 2.2 kilometres of the portal access road, clearing of a small, temporary waste dump, and clearing of the proposed portal site.

- **Joint Venture Arrangement with Teck Resources Ltd.**

The Pie, Yuen and Cirque East properties (known as the “Pie Option Properties”) are the subject of an option agreement (the “Agreement”) dated September 9, 2013 with Teck Resources Limited (“Teck”) and its JV partner, Korea Zinc Co., Ltd. ("Korea Zinc").

On December 28, 2017, Teck and Korea Zinc exercised the First Option of the Agreement and acquired 51% interest in the Pie Properties by incurring cumulative aggregate exploration expenditures of $3,500,000. Teck and Korea Zinc have incurred cumulative aggregate expenditures of $3,054,402 on the Property since September 2013 and made a cash payment of $445,598 to the Company for the shortfall. Teck and Korea Zinc decided not to proceed with the Second Option to earn an additional 19% interest in the Pie Properties. Pursuant to the terms of the Agreement, the parties will continue exploration of the Pie properties under a Joint Venture (the “JV”) arrangement on a 49-51 joint venture basis. Each party shall be liable for its pro-rata share of costs and liabilities in accordance with its interest in the JV. The Company holds title to the Pie Properties in trust for the parties until Teck and Korea Zinc requests that the Company legally transfer its interest in the properties.

- **Financing activities**

On November 3, 2017, the Company completed a flow-through private placement of 4,112,900 flow-through shares at a price of $0.37 per share for gross proceeds of $1,521,773. The Company paid 6% finders’ fees of $91,306 in connection with the private placement. The Company intends to use the proceeds from the sale of the flow-through shares to finance exploration of the Company’s Akie and Kechika Regional projects in calendar 2018.

60,000 stock options were exercised by employees of the Company at a price of $0.23 per share for total proceeds of $13,800 during the current fiscal year. In addition, 142,500 stock options were exercised at a price of $0.25 per share by employees and consultants of the Company in July 2018.

1,380,000 incentive stock options were granted to employees and consultants of the Company, exercisable at a price of $0.30 per common share for a period of ten years commencing on February 9, 2018.

860,000 incentive stock options were granted to employees and consultants of the Company, exercisable at a price of $0.33 per common share for a period of eight years commencing on July 5, 2018.

In July 2018, the Company received the TSX-V approval for the renewal of its Normal Course Issuer Bid (“NCIB”) to purchase at market price up to 8,287,534 common shares, being approximately 5% of the Company’s issued and outstanding common shares, through the facilities of the TSX-V. The bid commenced on August 1, 2018 and will stay open for another 12 months. The Company repurchased a total of 1,828,500 of its common shares at a weighted average price of $0.29 per share since August 2017. The shares were cancelled and returned to the Company’s treasury before the NCIB renewal.

AKIE PROPERTY, KECHIKA TROUGH DISTRICT, BC (zinc, lead, silver)

The Company holds a 100% interest in the Akie Property, which is located approximately 260 kilometers north-northwest of the town of Mackenzie in northeastern British Columbia.

The Akie zinc-lead-silver property is situated within the Kechika Trough, the southernmost extension of the regionally extensive Paleozoic Selwyn Basin, one of the most prolific sedimentary basins in the world for the occurrence of sedimentary exhalative (SEDEX) zinc-lead-silver deposits and stratiform barite deposits. Drilling on the Akie property by the Company since 2005 has identified a significant body of baritic-zinc-lead SEDEX mineralization known as the Cardiac Creek deposit. The deposit is hosted by siliceous, carbonaceous, fine grained clastic rocks of the Middle to Late Devonian Gunsteel Formation.

The Company updated the estimate of mineral resources at Cardiac Creek in late 2017, which is presented below:

ESTIMATE OF MINERAL RESOURCES – CARDIAC CREEK DEPOSIT

5% zinc cut-off grade					Contained metal		
Category	**Tonnes (million)**	**Zn (%)**	**Pb (%)**	**Ag (g/t)**	**Zn (B lbs)**	**Pb (B lbs)**	**Ag (M oz)**
Indicated	22.7	8.32	1.61	14.1	4.162	0.804	10.3
Inferred	7.5	7.04	1.24	12.0	1.169	0.205	2.9

Note: Mineral resources are not mineral reserves because the economic viability has not been demonstrated.

The updated mineral resource estimate was prepared by Robert Sim, P.Geo with the assistance of Bruce Davis, FAusIMM. Mr. Sim is an independent Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates and was responsible for the 2008 maiden resource and the 2012 and the 2016 updated mineral resource estimates.

The report, which contains the PEA results, is titled "NI 43-101 TECHNICAL REPORT AKIE PROJECT BRITISH COLUMBIA, CANADA" with an effective date of June 20, 2018 and report date of August 1, 2018 and can be found under the Company's profile at www.sedar.com and on the Company's website, www.zincxresources.com.

The PEA envisages a conventional underground mine and concentrator operation with a small environmental footprint measuring approximately 20 hectares in size upon start-up, expanding to approximately 35 hectares at closure. The mine will produce an average production rate of 4,000 tonnes per day (tpd) principally from long-hole stoping. Much of the waste rock and majority of the mill tailings will be placed back underground as cemented backfill. The rest of filtered tailings will be stacked in a surface filtered tailings facility, located near the mill. The mine will have an 18-year life with potential to extend the life-of-mine through resource expansion at depth.

Economic Highlights of the PEA include:

- Estimated pre-tax $NPV_{7\%}$ of **$649M** ($401M after-tax)
- Estimated pre-tax **35% IRR** (27% after-tax)
- Estimated pre-tax **2.6 year payback** (3.2 year payback after-tax)
- PEA contemplates a **4,000 tonne per day** underground mine and **3,000 tonne per day** concentrator with an **18-year** mine life
- Total mine production of **25.8 million tonnes** of which **19.7 million tonnes** are processed
- Initial CAPEX (excluding contingency) estimated at **$256.7M;** total of **$302.3M** including **$45.7M** in contingency
- Payable metal production over life-of-mine is **3,268M lbs of zinc** & **362M lbs of lead**
- Average annual production of **178M lbs of payable zinc** and **20M lbs of payable lead** at an all-in operating cost of **$102.38/tonne milled**

- Total payable metal LOM is **$3,960M;** or **$201/tonne milled**
- Saleable zinc and lead concentrates with **no penalty elements** (**clean concentrate**)
- There are no net smelter royalties owed (**0% NSR**)
- **Opportunities** for **continued refinement** through additional studies including upgrading lead and silver recoveries and reducing operating costs
- The Cardiac Creek deposit remains **open at depth** with potential to **increase mine life**
- The Akie and Kechika Regional projects combined, offer **district-scale potential** for **new discoveries**

The Company will be working closely with its mining consultants and advisers to plot a course forward for the most cost-effective and efficient development of the Cardiac Creek deposit. The Company anticipates more detailed engineering assessments leading to a prefeasibility study.

2018 Diamond Drilling Program

The Company completed five drill holes on various property targets that total 2,013 metres of diamond drilling:

Target	DDH	Length (m)	Number of samples
Sitka	A-18-144	309.68	81
Sitka	A-18-145	198.12	62
SE extension	A-18-147	535.54	215
North lead zone	A-18-148	721.46	163
Sitka extension	A-18-149	248.72	49
TOTAL		**2,013.53**	**567**

<u>2018 Drill Objectives:</u>

- Drill test the southeastern strike extent of the Cardiac Creek deposit beyond the current limits of the resource model;
- Drill test the down-dip extent of the North Lead target where previous drilling intersected extensive intervals of bedded pyrite mineralization and a thin massive sulphide lens that are both highly anomalous in zinc and lead. The drill targeting is guided by a new facies model developed from the mineralization on the Akie and Mt. Alcock properties;
- Shallow drill targets at the Sitka showing to test the Zn-Pb-barite mineralization outcropping at surface where previous channel sampling in 2013 returned high-grade assay results.

The Sitka Zn-Pb massive barite showing, discovered in 2013, represents a new and untested base metal target on the Akie property. The showing is hosted within the eastern thrust panel of prospective Gunsteel Formation stratigraphy located on the eastern side of the Akie property, approximately 4 kilometres east of the Cardiac Creek deposit. The showing is the first known occurrence of mineralization on the eastern thrust panel of the property.

DDH A-18-144

Drill hole A-18-144 intersected intermittent, sphalerite-bearing, smoky blue-grey quartz veins within both the Road River Silurian Siltstone and underlying Kwadacha Limestone, from a downhole depth of 173.50 to 200.00 meters. The veining is concentrated, locally hosting abundant coarse-grained red-brown-tan sphalerite. There appears to be two types of veining present, post-mineral white carbonate veins that form at the margins of, or cross-cut, the sphalerite-bearing blue-grey quartz veins. There is scattered sphalerite mineralisation present throughout the limestone, from 200 to 216 metres, within fractures and stringers.

Two discrete intervals returned promising zinc results. The upper interval from 172.7 to 174.6 metres returned 3.5% Zn over a width of 1.9 metres, including 5.8% Zn over a width of 1.0 metre. A lower interval from 196.7 to 201.8 metres returned 3.8% Zn over a width of 5.1 metres, including 11.3% Zn over 1.0 meter.

DDH A-18-145

Hole A-18 145 also intersected sphalerite-bearing, smoky blue-grey quartz veins within the Silurian Siltstone of the Road River Group. The mineralisation is characterized by quartz-carbonate veins that are variably distributed from 148.1 to 176.1 metres. The mineralised veins are subsequently crosscut by a later generation of quartz-carbonate veins. There are three distinct varieties of sphalerite within these veins: coarse red sphalerite, brown/tan sphalerite (generally occurring interstitial to or at the margins of red sphalerite), and isolated grains of pale-yellow sphalerite. The best interval returned 3.7% Zn over a width of 3.50 metres from a downhole depth of 168.1 to 171.5 metres, including 11.1% Zn over a width of 0.9 metres.

The drilling has traced the sphalerite-bearing vein mineralisation approximately 100 metres below surface. The mineralization intersected at depth below the Sitka target appears to be vein-related and does not appear to be associated with the Sitka barite-sphalerite-galena vein/structure observed at surface. The lead and silver results are negligible so far in limited drilling and remain unexplained when compared to the channel sample results from surface sampling in 2013. More work is required to understand the relationship of the massive barite structure at surface and the zinc mineralized quartz vein clusters at depth.

DDH A-18-147

Hole A-18-147 targeted the SE extension zone which is located approximately 215 metres southeast and along strike of the Cardiac Creek deposit. The first hole (A-18-146) was stopped near the collar due to excessive deviation. The second hole (A-18-147) was completed but did experience downhole deviation finishing approximately 55 metres up-dip of the target depth. A very thick interval of distal facies pyrite with barite was intersected from 340.5 to 423.4 metres in Gunsteel Formation shale. This interval appears to be a hybrid between the typical pyrite-barite dominated Distal facies and the thickly bedded pyrite of the Proximal facies that is usually present above the main zone at Cardiac Creek. Sulphides and barite were also observed in underlying limestone. The presence of limestone suggests that the drill hole deviated too high in this area to effectively target the deeper transition point between Gunsteel Formation shale and limestone known from drilling at Cardiac Creek. Results are pending from samples taken. The Company is considering a further test of this location but at a much steeper angle.

DDH A-18-148

This drill hole targeted the North Lead Zone located approximately 2.5 kilometres to the northwest of the Cardiac Creek deposit. The Zone is characterized by mineralization encountered in drill holes A-13-104, A-10-68 and A-10-76. These holes each encountered thick (>125 metres of apparent thickness) intervals of laminar to thickly bedded pyrite mineralization interbedded with siliceous black shale of the Gunsteel Formation. Results from these holes returned variably anomalous zinc with individual values greater than 2% suggesting that improving zinc grades could be encountered down-dip based on lithological and updated facie models. Drill hole A-18-148 represents an approximate 200 metre down-dip step-out from the adjacent holes and was drilled to a depth of 721.46 metres.

DDH A-18-149

This final drill hole of the program targeted the Sitka extension area located approximately 400 metres along strike southeast of the Sitka showing. The hole displayed strong surface oxidation weathering down to a depth of 66 metres, followed by a lower zone of strong limonitic alteration and quartz veining which is interpreted to be the Sitka horizon. The lower zone sits at the faulted lower contact between Road River group siltstone and Paul River fossiliferous limestone. The Sitka horizon is marked by abundant blue-grey quartz veining within a large, highly altered fault structure intersected from 95 metres to 108 metres downhole. The veins appear to host weathered sphalerite and narrow seams of galena although strong alteration has obscured much of the primary fabric. The hole ended in soft shale of the Akie Formation (Earn group) which is characterized by scattered light grey beds and calcareous, sandy debris flows that are commonly pyritic with bright brassy yellow pyrite in narrow bands.

Table of 2018 Drill Results

Drill Hole	From (m)	To (m)	Apparent Width (m)*	Zn (%)
A-18-144	172.72	174.59	1.87	3.54
incl	172.72	173.72	1.00	5.76
	186.51	187.15	0.64	1.53
	196.70	**201.78**	**5.08**	**3.79**
incl	196.70	200.00	3.30	5.73
incl	**199.01**	**200.00**	**0.99**	**11.33**
A-18-145	148.13	148.76	0.63	7.51
	159.40	159.80	0.40	3.35
	163.37	163.83	0.46	4.65
	168.05	**171.55**	**3.50**	**3.72**
incl	**168.05**	**168.91**	**0.86**	**11.09**
	175.09	175.69	0.60	2.36

*True width unknown at this time

2017 Diamond Drilling Program

The program focused on resource expansion and new target development on the robust and high-grade central core of the Zn-Pb-Ag Cardiac Creek deposit. A total of 8 drill holes were successfully drilled on the Cardiac Creek deposit for a total of 4,700 metres.

Program Highlights:

- Drill hole A-17-132 returned 10.38% Zn+Pb and 14.2 g/t Ag over a true width of 28.67 metres which includes 12.39% Zn+Pb and 15.9 g/t Ag over a true width of 19.81 metres.
- Drill hole A-17-133 returned 12.11% Zn+Pb and 16.0 g/t Ag over a true width of 9.42 metres within a broader mineralized interval of 25.63 metres.
- Drill hole A-17-137 returned 11.79% Zn+Pb and 19.1 g/t Ag over a true width of 57.79 metres including 14.51% Zn+Pb and 23.4 g/t Ag over a true width of 37.06 metres as well as 15.44 metres of 22.61% Zn+Pb and 36.2 g/t Ag. The results from hole A-17-137 represents the best intersection ever encountered on the Cardiac Creek deposit.
- Drill hole A-17-138 returned 7.75% Zn+Pb and 10.4 g/t Ag over a true width of 24.96 metres including 10.07% Zn+Pb and 12.3 g/t Ag over a true width of 11.82 metres.
- Drill hole A-17-140 returned 8.99% Zn+Pb and 13.8 g/t Ag over a true-width of 7.51 metres from the Footwall Zone including 10.21% Zn+Pb and 15.5 g/t Ag over a true width of 6.46 metres.
- Drill hole A-17-141 returned 11.89% Zn+Pb and 18.4 g/t Ag over a true width of 18.34 metres from the Cardiac Creek Zone including 22.48% Zn+Pb and 29.3 g/t Ag over a true width of 7.49 metres.
- Drill hole A-17-142 returned an envelope of mineralization grading 11.15% Zn+Pb and 15.5 g/t Ag over a true width of 32.65 metres which includes 23.32% Zn+Pb and 30.9 g/t Ag over a true width of 11.31 metres from the Footwall Zone.
- Drill hole A-17-143 returned 7.77 % Zn+Pb and 9.8 g/t Ag over a true width of 20.49 metres including 10.41% Zn+Pb and 15.0 g/t Ag over a true width of 7.90 metres.

Akie Underground Development

In August 2011, the Company received an underground drill permit from the BC government for the Akie project which will facilitate advanced exploration of the Cardiac Creek deposit by means of a close-spaced, infill drill definition program on the Cardiac Creek deposit. The permit was originally set to expire December 2014 but has since been extended to December 2017. The Company has asked for a date extension to December 31, 2020.

The planned program is comprised of a first phase of 1,600 metres of underground development (decline) followed by 16,000 metres of underground diamond drilling, designed to upgrade the current NI 43-101 compliant resource to the measured and indicated category. Drill core from underground will be used in a systematic metallurgical sampling program intended to ensure detailed metallurgical sampling across the full spectrum of the deposit. Underground development will also provide important engineering and geotechnical data for a second phase of exploration drilling and bulk sampling, and for future mine design. The Company continues to examine the costs associated with the planned underground exploration program and has yet to make a construction decision. Engineering and environmental studies will continue as required to maintain all related permits in good standing.

KECHIKA REGIONAL PROJECT

In addition to the Akie property, the Company has 100% ownership of a large contiguous group of mineral claims that aggregate to a total of 10 properties that cover 68,000 hectares. The mineral claims stretch a distance of 140 kilometres from the northern boundary of the Akie property to the northern reaches of the Gataga River. The properties cover the extent of the prospective Gunsteel Formation shale, the known host of SEDEX mineralization in the Kechika Trough.

Several properties within the Kechika Regional project host significant historical drill intercepts. Historical drilling on the Mt. Alcock property yielded a drill intercept of 8.8 metres grading 9.3% Zn+Pb and exploration identified and outlined numerous zinc-lead-barite occurrences and several base metal anomalies. Historical drilling on the Bear-Spa property returned several drill intercepts of >10 metres grading 2.53 to 2.96% combined Zn+Pb and up to 20.6 g/t Ag. There has been no modern follow-up exploration on many of the Kechika Regional properties.

In 2012, the Company filed separate NI 43-101 compliant technical reports for the Pie and Mt. Alcock properties authored by Tanya Strate, P. Geol an independent qualified person for the purposes of NI 43-101. These reports summarised the history of previous exploration, summarised the fieldwork conducted on each property in 2011, highlighted their prospectivity to host SEDEX Zn-Pb-Ag style mineralisation and made recommendations for further work. These reports can be found on SEDAR (www.sedar.com).

Pie Option Properties: Agreement with Teck and Korea Zinc

The Pie, Yuen and Cirque East properties (known as the “Pie Option properties”) are the subject of an option agreement (the “Option Agreement”) concluded on September 9, 2013 with Teck Resources Limited (“Teck”) and its JV partner, Korea Zinc Co., Ltd. ("Korea Zinc"). The Option Agreement provides Teck and Korea Zinc the option to spend up to $8.5 million to acquire up to 70% interest in the Pie Option properties.

Teck and Korea Zinc have spent approximately $3.035 million in exploration expenditures over the past three field seasons on the Pie Option properties. On December 28, 2017, Teck and Korea Zinc served the First Exercise Notice to the Company confirming that they have incurred cumulative aggregate expenditures of $3,054,402 on the Property since September 2013 and made a cash payment of $445,598 to the Company for the shortfall. Therefore, Teck and Korea Zinc have incurred total cumulative expenditures of $3,500,000, thereby exercising the First Option and earning a 51% interest in the Company’s Pie, Cirque East and Yuen properties.

Following the delivery of the First Exercise Notice, the Company and Teck/ Korea Zinc will jointly explore the Pie Properties on a 49-51 joint venture basis. Each party shall be liable for its pro-rata share of costs and liabilities in accordance with its interest in the JV. The Company holds the title to the Pie Properties in trust for the parties until Teck and Korea Zinc request Canada Zinc Metals legally transfer its interest in the properties.

Teck and Korea Zinc spent approximately $1.66 million during the 2016 exploration program on the Pie Option properties. Field work on the Pie Option properties included mapping, prospecting, soil sampling and ground geophysics which continued to advance and refine ranked drill targets across the three option properties. One drill hole was completed late in the season and encountered favorable Gunsteel shale stratigraphy approximately one kilometre west of previous historical drilling on the Pie Main prospect. The exploration program was based out of Teck's Cirque exploration camp located approximately 20 kilometres northwest of the Company's flagship Akie property.

Additional results from the Pie Option exploration program include:

- 21 geological/prospecting traverses covering key high-priority target areas on the Pie, Cirque East and Yuen properties.
- Geological mapping and prospecting identified new mineralisation located on the Cirque East property and associated rock and chip sampling characterized the lithogeochemistry of key rock units (114 whole-rock lithogeochemistry samples; 642 pXRF samples).
- The collection of 733 soil samples (including QA/QC samples) at three priority target areas confirmed the historical metal association of Zn-Pb+/-Ag and identified multi-element anomalies (Pb, Zn, +/-Ag+/-Hg+/-Tl+/-As+/-Mo) of interest.
- Successful execution of 10 ground gravity survey lines over targets at Yuen North, Yuen South, Cirque East, Pie Main and Del North. The results confirmed the validity of several small AGG anomalies.

Structural Analysis for Akie and Southern Kechika Trough

During the year ended June 30, 2017 the Company engaged Murphy Geological Services (Ireland) to conduct a detailed structural interpretation of the Akie Property and southern parts of the Kechika Regional Project using high-resolution satellite imagery obtained by the Company in 2013.The project was designed in order to better define the structural framework of the district and assist with the identification of regional scale and other major first-order fault structures as well as characterizing the nature and timing of these structures. The principal objective of this study was to generate exploration targets for SEDEX mineralization over a large regional framework in a cost-effective manner.

The study recognized a series of dominant NW-SE thrust faults that are cross-cut by NE/NNW trending major transverse that have linear to sinuous surface traces. These cross-cutting transverse faults likely originated from the reactivation of basement structures during the extension of the Kechika Trough. They may have acted as transfer faults during extension, allowing the extensional displacement to be transferred between adjacent faults and the development of sub-basins within the Kechika Trough. The geometry of those with strongly curvilinear to sinuous surface traces may have been modified by contractional deformation during inversion of the Kechika Trough. The main feeders for SEDEX mineralization are likely to be breached relay zones between overlapping major extensional faults and the intersection zones between transfer faults and block bounding extensional faults. These would have represented zones of high fracture permeability and may have acted as conduits for hydrothermal fluid circulation. Locally within the study area a horst block was identified which had an important control on the local thrust geometries and deposition of mineralisation.

A total of 41 ranked exploration targets were identified within the study area based on the results of the interpretation. Targets were evaluated using several criteria including the presence of the Gunsteel Formation, proximity to the flanks of the intra-basinal horst block, presence of re-activated major thrusts, curvilinear to sinuous features along thrusts, intersections between major thrusts and transverse faults, proximity to known mineral occurrences and deposits, presence of geochemical anomalies, mapped exhalative barite horizons and Landsat derived alteration anomalies.

Top ranked targets will be prioritized, and specific areas of interest will be assessed in the field at the earliest opportunity. This interpretation will be integrated and assessed in conjunction with data from the Company's extensive digital database which includes topographical datasets, additional imagery datasets, geophysical datasets (including the 2012 and 2013 airborne VTEM survey and the 2015 airborne gravity gradiometry survey), geological datasets and geochemical datasets.

Summary of exploration expenditures incurred on various properties:

		Akie Property		Kechika Regional		Total
Acquisition Costs:						
Balance, June 30, 2016, and 2017	**$**	**24,165,241**	**$**	**336,785**	**$**	**24,502,026**
Cash in lieu of expenditures		-		(144,017)		(144,017)
Balance, June 30, 2018	**$**	**24,165,241**	**$**	**192,768**	**$**	**24,358,009**
Deferred exploration costs:						
Balance, June 30, 2016	**$**	**40,821,568**	**$**	**4,631,543**	**$**	**45,453,111**
Camp equipment, depreciation		102,485		–		102,485
Airborne geophysical survey		2,075		4,200		6,275
Drilling		577,417		–		577,417
Geology		72,924		6,683		79,607
Technical review and engineering		30,258		–		30,258
Community consultations		937		–		937
Environmental studies and permit compliance monitoring		18,944		–		18,944
Balance, June 30, 2017		**41,626,608**		**4,642,426**		**46,269,034**
Camp equipment, depreciation		80,421		–		80,421
Drilling		1,910,488		–		1,910,488
Geology		114,832		13,601		128,433
Metallurgical testing		133,394		–		133,394
Preliminary Economic Assessment		290,609		–		290,609
Road repair		75,104		–		75,104
Community consultations		221,687		–		221,687
Environmental studies and permit compliance		62,334		–		62,334
Cash in lieu of expenditures		–		(301,581)		(301,581)
METC recovered		(159,876)		–		(159,876)
Balance, June 30, 2018	**$**	**44,355,601**	**$**	**4,354,446**	**$**	**48,710,047**
Total, June 30, 2017	**$**	**65,791,849**	**$**	**4,979,211**	**$**	**70,771,060**
Total, June 30, 2018	**$**	**68,520,842**	**$**	**4,547,214**	**$**	**73,068,056**

1.3 Selected Annual Information

The following is a summary of certain financial information concerning the Company for each of the last three most recently completed financial years.

				Years ended		
		2018		2017		2016
Interest and other income	$	124,177	$	131,760	$	93,583
Net Loss	$	(1,818,983)	$	(2,027,313)	$	(2,971,216)
Loss per share	$	(0.01)	$	(0.01)	$	(0.02)
Total assets	$	79,105,414	$	80,309,073	$	77,494,327
Total long-term liabilities	$	1,613,000	$	1,603,000	$	1,986,000
Cash dividends declared per share for each class of share	$	Nil	$	Nil	$	Nil

1.4 Results of Operations

Years ended June 30, 2018 and 2017

During the year ended June 30, 2018, the Company reported a loss before comprehensive loss of $1,818,983 or $0.01 per share compared to a loss before comprehensive loss of $2,027,313 or $0.01 per share in fiscal 2017, a decrease in net loss of $208,330. The decrease in net loss was primarily a result of decreases in general and administrative expenses by $368,965.

The Company's consolidated net loss for the year ended June 30, 2018 not factoring in non-cash transactions of share-based compensation expense, depreciation of office equipment and leasehold improvements, accrued flow-through taxes, gain on sale of marketable securities and deferred income tax recovery of flow-through liabilities, was $1,886,281 (2017 - $2,007,971), representing a decrease of $121,690.

Interest income and other items

The Company receives interest on its main treasury account and GIC investments. Interest income recognized in fiscal 2018 was $105,782 (2017 - $93,179), a slight increase due to increased interest rates.

The deferred tax recovery of $370,034 (2017 - $523,086) recognized during the year primarily resulted from partial amortization of the flow-through premium liabilities of $380,034 (2017 - $140,086) recorded in connection with the flow-through private placements.

During the year ended June 30, 2018, the Company realized a gain of $18,395 (2017- $38,581) on sale of marketable securities for total proceeds of $58,525 (2017 - $137,744).

General and administration expenses

The following expense categories contributed to the decrease in operating expenses by $368,965 in fiscal 2018:

- Payment of bonuses in the amount $42,084 (2017 - $128,429) to a company with common directors and officers (please see section Transactions with Related Parties below);
- Investor relations fees decreased by $36,861 as the Company did not retained any IR service providers in fiscal 2018. In fiscal 2017, the Company engaged Paradox Public Relations Inc. to provide investor relations services for a 6 month period at a monthly fee of $5,000;
- Marketing expenses decreased by $68,989 due to a reduction in advertising and marketing campaigns conducted during the year;
- Office expenses decreased by $12,341 due to decreased insurance premiums, telephone expenses and corporate donations; and
- Share-based compensation expenses decreased by $262,612 as there were fewer stock options granted during the year. In fiscal 2018, the Company granted an aggregate of 1,380,000 (2017 – 2,590,000) stock options to directors, officers, employees and consultants of the Company and recorded share-based compensation expense of $312,636 (2017 - $575,248) for the vested portion of the stock options granted using the fair value-based method of accounting.

There were no changes in management, administrative and directors' fees during the comparative years.

The above-noted decreases were partially offset by increases in the following categories:

- Flow-through taxes increased by $3,801 due to earlier renunciation of exploration expenditures to the November 2017 flow-through subscribers under the look-back rule;
- Regulatory fees increased by $2,518 primarily due to costs associated with a foreign search for a potential appointee to the Board of Directors of the Company;
- Travel and promotion increased by $2,442 as a result of an increased number of senior management trips for investor presentations and the Company's participation in promotional events; and

- Wages and benefits increased by $89,631 as a result of higher salary expenses and bonus payments to employees of the Company.

Three months ended June 30, 2018 and 2017

During the three months ended June 30, 2018, the Company reported a net loss of $485,643 or $0.00 per share compared to a net income of $120,042 or $0.00 per share during the same quarter in fiscal 2017, an increase in net loss of $605,685. The increase in net loss was primarily a result of increases in general and administrative expenses of $102,528 and a decrease in the deferred tax recovery of $463,830.

During the three months ended June 30, 2018, total general and administration expenses were $569,965 compared to $467,437 during the same quarter in fiscal 2017, representing an increase of $102,528.

The increase in total general and administration expenses in the comparative quarters was primarily due to increases in consulting fees of $80,024, marketing expenses of $40,852 and wages and benefits of $38,729, partially offset by decreases in bonuses of $39,231, office expenses of $17,505 and travel and promotion of $11,744.

There were no significant variations in other operating expenses over the comparative quarters.

1.5 Summary of Quarterly Results

The following is a summary of certain consolidated financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest and other income	Net income (loss) before comprehensive loss	Earnings (loss) per share
June 30, 2018	$ 25,066	$ (485,643)	$ (0.00)
March 31, 2018	28,056	(652,936)	(0.01)
December 31, 2017	26,353	(555,023)	(0.00)
September 30, 2017	44,702	(125,381)	(0.00)
June 30, 2017	64,393	120,042	0.00
March 31, 2017	24,811	(460,557)	(0.00)
December 31, 2016	20,742	(694,057)	(0.01)
September 30, 2016	21,814	(992,741)	(0.00)

The lower loss reported for the quarter ended September 30, 2017 was a result of a deferred income tax recovery of $308,132 as a result of amortization of the flow-through premium liabilities recorded in connection with the April 2017 flow-through private placement.

The increase in loss for the quarter ended March 31, 2018 was primarily due to stock-based compensation of $309,506 recorded for the 1,380,000 share options granted to directors, officers and consultants of the Company during the period.

The net income reported for the quarter ended June 30, 2017 was a result of a deferred income tax recovery of $523,086 as a result of amortization of the flow-through premium liabilities recorded in connection with the flow-through private placements and changes in other deductible tax differences.

The increase in loss for the quarter ended September 30, 2016 was primarily due to stock-based compensation of $458,136 recorded for the 1,850,000 share options granted to directors, officers and consultants of the Company during the period.

1.6/1.7 Liquidity and Capital Resources

The Company's working capital position remains strong with its cash of $1,148,880 and GIC investments of $4,000,000 as at June 30, 2018. Management believes that the Company has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative overhead for the next twelve months.

At June 30, 2018, the Company reported working capital of $4,789,053 compared to working capital of $7,951,129 at June 30, 2017, representing a decrease in working capital of $3,162,076. The decrease in working capital was a result of general operating activities, exploration expenditures and cost of completing the PEA.

Net cash decreased by $3,315,545 from $4,464,425 at June 30, 2017 to $1,148,880 at June 30, 2018.

During the year ended June 30, 2018, the Company utilized its cash and cash equivalents as follows:

(a) the Company used $1,867,550 of its cash in operating activities compared to $2,211,829 in fiscal 2017;
(b) Exploration expenditures during the year were $3,053,762 compared to $212,977 in fiscal 2017. The Company started its 2017 Akie drilling program in June 2017, and there was no drilling program carried out in calendar 2016, which explains the significant reduction of cash exploration expenditures in the comparative fiscal years;
(c) $445,598 (2017 - $Nil) was received from Teck in lieu of exploration expenditures on the Pie Properties project required to be incurred to exercise the First Option pursuant to the Agreement;
(d) $159,876 (2017 - $Nil) in METC refund for exploration expenditures incurred in fiscal 2016 and 2017 above the expenditures renounced to flow-through subscribers;
(e) $35,397 (2017 - $6,552) was used for the purchase of camp fixtures and office furniture;
(f) $Nil (2017 - $38,334) was used for the purchase of marketable securities and $58,525 (2017 - $137,744) was generated on sale of marketable securities;
(g) $Nil (2017 - $100,000) was advanced under a promissory note to an operating subsidiary of a company that now has a director in common;
(h) the Company received interest of $70,062 (2017 –$62,247) on the maturity of its GIC investments and reinvested $4,000,000 (2017 - $3,000,000) into new GICs yielding an average annual interest rate of 1.93% maturing in June 2019;
(i) $1,521,773 (2017 - $4,757,248) in gross proceeds was raised through a private placement, all of which committed to flow-through agreements with investors. $100,903 (2017 - $370,624) in share issuance costs was paid in connection to the private placement;
(j) 60,000 stock options were exercised by employees of the Company for total gross proceeds of $13,800 (2017 - $10,350); and
(k) 1,828,500 (2017 – 581,000) common shares of the Company were repurchased under the NCIB for a total of $527,567 (2017 - $187,951).

The Company is engaging in a NCIB because it believes that the market price of its common shares at times does not properly reflect the underlying value of the Company. The purpose of the bid is to reduce dilution of the Company's shares and to enhance the potential future value of the common shares which remain outstanding, thus increasing long term shareholder value.

The Company's current assets excluding cash consisted of the following:

	June 30, 2018	June 30, 2017
Government Sales Tax credits	$ 44,750	$ 42,871
Interest accrued on reclamation deposits	421	292
Prepaid expenses	65,439	146,875
Loan receivable including interest	118,466	108,466
Marketable securities at fair value	57,150	116,442
GIC investments	4,004,314	4,013,023

Prepaid expenses as at June 30, 2018 included a $50,000 deposit paid to JDS Mining as an advance in connection with the PEA work.

The $100,000 loan receivable was advanced under a promissory note bearing interest at a rate of 10% per annum with an original 6 month term that was extended for an additional 12 month period until February 25, 2017. The loan remained unpaid as at June 30, 2018 and as of the date of this MD&A. After February 25, 2018, management agreed to extend the repayment of the loan and the accumulated interest until the debtor finalizes a significant financing that is currently awaiting completion.

The Company holds a few GIC investments with the principal amounts of $4,000,000 yielding average fixed interest rates of 1.93%, one of which with a value of $1,000,000 is non-redeemable until June 1, 2019.

Current liabilities as at June 30, 2018 consisted of trade payables and accrued liabilities of $417,914 (2017 - $633,133), which mainly consisted of exploration payables that were paid subsequent to June 30, 2018 and a flow-through premium liability of $232,453 (2017 - $308,132) recorded in connection with the November 2017 flow-through private placement. The flow-through premium liability does not represent cash liability to the Company and will be fully amortized by December 2018 after the Company incurs qualifying flow-through exploration expenditures of $1,521,773.

The other sources of funds potentially available to the Company are through the exercise of outstanding stock options and share purchase warrants. See Item 1.15 – Other Requirements – Summary of Outstanding Share Data. There can be no assurance, whatsoever, that any or all these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is currently in the process of acquiring and exploring its interests in resource properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of expenditures incurred in these resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank deposits of $1,148,880 and short-term investments in GICs of $4,004,314. This risk is managed by using major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes and interest accrued on GIC investments. The Company is exposed to higher credit risk on its loan receivable with the amortized balance of $118,466 as it is issued under an unsecured promissory note.

Liquidity Risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

The Company achieves this by maintaining sufficient cash and cash equivalents. As at June 30, 2018, the Company was holding cash deposits of $1,148,880 to settle current cash liabilities of $417,914. Management believes it has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative costs.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, has exposure to these risks.

Interest Rate Risk
The Company is exposed to interest rate risk as its bank treasury account and other assets earn interest income at variable rates. The effect of a 10% fluctuation in interest rates may result in an increase or decrease in net loss of $1,148.

Currency Risk
The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

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 earnings and economic value due to commodity price movements and volatilities. The Company closely monitors certain commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company also maintains investments in certain marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.9 Transactions with Related Parties

Key management personnel includes persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and Vice President of Exploration.

The remuneration of the key management personnel during the years ended June 30, 2018 and 2017 were as follows:

		2018		2017
Bonuses (iii)	$	42,084	$	128,429
Consulting fees (iv)		15,000		15,000
Directors fees (ii)		40,000		40,000
Exploration and evaluation expenditures (geological consulting) (v)		150,000		150,000
Management fees (i)		354,000		354,000
Other employment benefits (vii)		29,335		27,917
Share-based compensation (vi)		3,130		281,758
Total	$	633,549	$	997,104

Transactions with key management and other related party transactions:

(i) Pursuant to a management and administrative services agreement amended effective July 1, 2011 and May 1, 2014 with Varshney Capital Corp. ("VCC"), "), a company with two common directors, Peeyush Varshney and Praveen Varshney, the Company agreed to pay monthly management and administrative fees of $29,500 and $5,000, respectively.

During the year ended June 30, 2018, the Company paid $354,000 (2017 – $354,000) for management fees and $60,000 (2017 – $60,000) for administrative fees to VCC;

(ii) the Company paid $40,000 (2017 - $40,000) in directors' fees to four directors of the Company - John Thomas, Marco Strub, Peeyush Varshney and Praveen Varshney;

(iii) the Company paid bonuses of $42,084 (2017 - $128,429) to VCC;

(iv) the Company paid $15,000 (2017 - $15,000) for consulting fees to Sircon AG, a company controlled by Marco Strub, a director of the Company ;

(v) the Company paid or accrued exploration and evaluation costs of $150,000 (2017 - $150,000) for geological consulting fees to Ridgeview Resources Ltd., a company controlled by Ken MacDonald, VP of Exploration of the Company, of which $115,750 (2017 - $59,375) was capitalized as exploration and evaluation costs and $34,250 (2017 - $90,625) was expensed as consulting fees;

(vi) share-based compensation is the fair value of share options that have been granted to directors and executive officers and the related compensation expense recognized over the vesting periods; and

(vii) other employment benefits included life insurance and health benefits for the CEO and health benefits for the CFO of the Company.

1.10 Fourth Quarter and Subsequent Events

During the fourth quarter ended June 30, 2018, the Company:

- commenced the 2018 diamond drilling program on its Akie Project, which was completed in September 2018;
- completed the PEA for its Cardiac Creek deposit; and
- accrued $40,000 for the fiscal 2018 year-end audit.

Subsequent to the year ended June 30, 2018:

- the Company received TSX-V approval for its new NCIB application to purchase at market price up to 8,287,534 common shares, being approximately 5% of the Company's issued and outstanding common shares, through the facilities of the TSX-V. The bid commenced on August 1, 2018 and will stay open for another 12 months;
- the Company cancelled and returned to its treasury 781,500 common shares of the Company that were repurchased under the NCIB prior to June 30, 2018. After the cancellation, the Company has 165,750,683 common shares issued and outstanding;
- 142,500 stock options were exercised at a price of $0.25 per share by employees and a consultant of the Company for total proceeds of $36,025;
- 220,000 share purchase warrants issued to the agents under the December 2016 private placement were exercised at a price of $0.55 per share for total proceeds of $121,000;
- the Company granted 860,000 incentive stock options to employees and consultants of the Company exercisable at a price of $0.33 per share for a period of 8 years with no vesting terms; and
- the Company also granted 240,000 stock options to marketing and business development consultants exercisable at $0.39 per share for a two year period. These options will vest and become exercisable in four equal installments every three months commencing on October 3, 2018.

1.11 Proposed Transactions

The Company does not have any proposed transactions as at June 30, 2018 other than as disclosed elsewhere in this document.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 2 of the audited consolidated financial statements of the Company for the year ended June 30, 2018.

New standards and interpretations

Certain accounting standards or amendments to existing IFRS standards were effective as of June 1, 2017 and have been adopted by the Company. There was no impact on the financial statements as a result of the adoption of these standards, amendments and interpretations.

New standards and interpretations not yet adopted

IFRS 9 - Financial Instruments ("IFRS 9")

As at July 1, 2018, the Company adopted all of the requirements of IFRS 9, which replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, the Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL. The Company completed a detailed assessment of its financial assets and liabilities as at July 1, 2018.

The main area of change is the accounting for marketable securities previously classified as available for sale. Upon the adoption of IFRS 9, the Company made an irrevocable election to classify marketable securities as fair value through profit and loss.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	*New classification IFRS 9*
Financial assets		
Cash	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Loan receivable	Amortized cost	Amortized cost
Marketable securities	Available for sale	FVTPL
Investment	FVTPL	FVTPL
Financial liabilities		
Trade payables and accrued liabilities	Amortised cost	Amortised cost

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

On July 1, 2018, the Company adopted IFRS 15, which supersedes IAS 18 – Revenue ("IAS 18"). IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018.

The Company is a junior mining exploration company and it currently does not generate any revenue from contracts with customers. Therefore, the adoption of this standard did not have any significant impact on the Company's consolidated financial statements.

IFRS 16 – Leases ("IFRS 16")

IFRS 16, Leases, new standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019.

IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23")

IFRIC 23 clarifies the accounting for income tax treatments and is applicable for annual periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments as at June 30, 2018 were as follows:

	Loans & receivables	*Available for sale*	*Fair Value through Profit or Loss*	*Other financial liabilities*
Financial assets				
Cash	$ –	$ –	$ 1,148,880	$ –
Receivables	421	–	–	–
Loan receivable	118,466	–	–	–
Marketable securities	–	57,150	–	–
Investment	–	–	4,004,314	–
Financial liabilities				
Trade payables and accrued liabilities	–	–	–	417,915
	$ 118,887	$ 57,150	$ 5,153,194	$ 417,915

Unless otherwise disclosed their carrying values approximate their fair values due to the short term nature of these instruments.

Please also see section 1.13 Changes in Accounting Policies including Initial Adoption of the MD&A and Note 2 of the audited consolidated financial statements of the Company for the year ended June 30, 2018.

1.15 Other Requirements

Summary of outstanding share data as at October 23, 2018:

(1)	Authorized: Unlimited common shares without par value	
(2)	Issued and outstanding	165,750,683
(3)	Stock options	10,550,000
(4)	Warrants	3,237,250

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Peeyush Varshney"

Peeyush Varshney
Director
October 23, 2018