ZINC ONE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MAY 31, 2018 AND 2017
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ZINC ONE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited – Expressed in Canadian Dollars)

	Note	May 31, 2018 $	February 28, 2018 *(Restated – Note 2)* $
ASSETS			
Current assets			
Cash		232,915	525,364
Receivables	**6**	1,282,973	631,170
Marketable securities	**5**	-	546,000
Prepaid expenses		134,444	375,765
		1,650,332	2,078,299
Proceeds of disposition receivable	**7**	816,168	807,497
Equipment	**8**	78,162	80,873
Environmental bond	**6**	2,166,087	2,150,208
Exploration and evaluation assets	**2, 6**	25,224,713	24,143,575
Total assets		**29,935,462**	**29,260,452**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**13**	1,043,258	897,616
Due to related parties	**13**	88,056	63,236
Loans payable	**9**	16,879	16,567
Settlement of lawsuit	**10**	898,187	3,480,135
Note payable	**11**	67,008	65,417
Total liabilities		2,113,388	4,522,971
SHAREHOLDERS' EQUITY			
Share capital	**12**	53,999,341	50,126,691
Contributed surplus	**12**	4,945,061	4,684,518
Accumulated other comprehensive income		88,614	32,652
Deficit		(31,210,942)	(30,106,380)
		27,822,074	24,737,481
Total liabilities and shareholders' equity		**29,935,462**	**29,260,452**

Nature of operations and going concern (Note 1)
Contingency (Note 15)
Commitments (Note 16)
Subsequent events (Notes 6, 10 and 17)

Approved and authorized on behalf of the Board of Directors on July 30, 2018

“**Gunther Roehlig**” Director　　　　“**W. Barry Girling**” Director

ZINC ONE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three months ended May 31, 2018 and 2017

(Unaudited – Expressed in Canadian Dollars)

		For the three months ended May 31,	
		2018	**2017**
	Note	**$**	**$**
OPERATING EXPENSES			
Consulting fees		20,000	75,300
Depreciation	**8**	3,125	-
Filing fees		11,970	46,647
General and administrative		123,874	69,010
Insurance		5,319	3,564
Interest	**9, 10, 11**	125,615	919
Management fees	**13**	174,956	52,500
Marketing		186,064	296,888
Professional fees	**13**	85,706	46,241
Share-based payments	**12**	275,555	181,888
		(1,012,184)	(772,957)
LOSS BEFORE OTHER ITEMS		(1,012,184)	(772,957)
Loss on foreign exchange		(98,885)	(5,177)
Gain on sale of exploration and evaluation assets		6,507	-
NET LOSS FOR THE PERIOD		(1,104,562)	(778,134)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO LOSS:			
Realized loss on marketable securities		(60,530)	-
Exchange difference on translating foreign operations		116,492	-
COMPREHENSIVE LOSS FOR THE PERIOD		(1,048,600)	(778,134)
NET LOSS PER SHARE – BASIC AND DILUTED*		(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING*		102,223,069	62,028,864

*Post 1.5:1 forward stock split (Note 12)

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

ZINC ONE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares* #	Share Capital $	Contributed Surplus $	AOCI $	Deficit (*Restated – Note 2)* $	Total $
Balance, February 28, 2017	***56,775,241**	**24,297,887**	**2,646,472**	**-**	**(24,885,639)**	**2,058,720**
Shares issued in consideration for:						
Cash, pursuant to private placement	16,666,667	10,000,000	-	-	-	10,000,000
Less: Share issue costs	-	(213,640)	-	-	-	(213,640)
Share-based payments	-	-	181,888	-	-	181,888
Net and comprehensive loss for the period	-	-	-	-	(778,134)	(778,134)
Balance, May 31, 2017	***73,441,908**	**34,084,247**	**2,828,360**	**-**	**(25,663,773)**	**11,248,834**
Shares issued in consideration for:						
Exploration and evaluation assets	25,259,777	15,581,062	-	-	-	15,581,062
Less: Share issue costs	-	(17,730)	-	-	-	(17,730)
Options deemed granted on acquisition	-	-	219,151	-	-	219,151
Warrants deemed issued on acquisition	-		502,108	-	-	502,108
Cash, pursuant to exercise of warrants	780,088	479,112	(247,333)	--	-	231,779
Share-based payments	-	-	1,382,232	-	-	1,382,232
Net and comprehensive loss for the period	-	-	-	32,652	(4,442,607)	(4,409,955)
Balance, February 28, 2018	*99,481,773	50,126,691	4,684,518	32,652	(30,106,380)	24,737,481
Shares issued in consideration for:						
Cash, pursuant to private placement	16,063,286	3,855,189	-	-	-	3,855,189
Less: Share issue costs	-	(57,401)	-	-	-	(57,401)
Finder's warrants issued	-	(41,824)	41,824	-	-	-
Cash, pursuant to exercise options	450,000	116,686	(56,836)	-	-	59,850
Share-based payments	-	-	275,555	-	-	275,555
Net and comprehensive loss for the period	-	-	-	55,962	(1,104,562)	(1,048,600)
Balance, May 31, 2018	***115,995,059**	**53,999,341**	**4,945,061**	**88,614**	**(31,210,942)**	**27,822,074**

*Post 1.5:1 forward stock split (Note 12)

ZINC ONE RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended May 31, 2018 and 2017
(Unaudited – Expressed in Canadian Dollars)

	2018 $	2017 $
Operating activities:		
Net loss for the period	(1,104,562)	(778,134)
Items not involving cash:		
Depreciation	3,125	-
Accrued interest	125,615	919
Share-based payments	275,555	181,888
	(700,267)	(595,327)
Changes in non-cash working capital related to operations:		
Receivables	(651,803)	(49,780)
Prepaid expenses	241,321	(1,150,385)
Accounts payable and accrued liabilities	145,642	(25,014)
Net cash used in operating activities	(965,107)	(1,820,506)
Investing activities:		
Proceeds on sale of marketable securities	485,470	-
Exploration and evaluation assets expenditures	(1,081,138)	-
Deferred acquisition costs	-	(116,032)
Short term loan receivable	-	(2,054,093)
Net cash used in investing activities	(595,668)	(2,170,125)
Financing activities:		
Due to related parties	24,820	(11,321)
Payment towards settlement of lawsuit	(2,706,370)	-
Common shares issued for cash	3,855,189	10,000,000
Share issue costs	(57,401)	(213,640)
Proceeds from exercise of options	59,850	-
Net cash provided by financing activities	1,176,088	9,775,039
(Decrease) increase in cash during the period	(384,687)	5,784,408
Effect of exchange rate changes on cash	92,238	1,059
Cash – beginning of the period	525,364	1,663,663
Cash – end of the period	232,915	7,449,130

1. NATURE OF OPERATIONS

Zinc One Resources Inc. ("the Company" or "Zinc One") was incorporated on January 12, 2007 under the Business Corporations Act of British Columbia. The Company's registered and head office is located at 410-1040 West Georgia Street, Vancouver, BC, Canada. Effective January 23, 2017, the Company changed its name from Rockridge Capital Corp. to Zinc One Resources Inc. Effective January 24, 2017, the Company changed its trading symbol to "Z". The Company's shares are also quoted on the US OTC Marketplace under symbol "ZZZOF" and on the Frankfurt Stock Exchange under symbol "RH33".

The Company is in the process of exploring and developing its exploration properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. At May 31, 2018, the Company had not yet achieved profitable operations, had accumulated an inception to date deficit of $31,210,942 and expects to incur further losses in the development of its business. These factors indicate the existence of a material uncertainty that may cast doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent upon its ability to raise adequate funding through equity or debt financings to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. Carrying values as shown in these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. Subsequent to May 31, 2018, the Company closed the final tranche of a private placement financing and issued 6,532,216 units for gross proceeds of $1,567,732 (Note 17).

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using the same accounting policies as detailed in the Company's audited annual financial statements for the year ended February 28, 2018. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and therefore should be read together with the audited annual financial statements for the year ended February 28, 2018.

(Unaudited – Expressed in Canadian Dollars)

These condensed interim consolidated financial statements were approved by the board of directors for issue on July 30, 2018.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and the following subsidiaries subject to control by the Company:

Subsidiary	Jurisdiction	Ownership
Forrester Metals Inc.	Canada	100%
Vena Resources (2004) Inc.	Canada	100%
Candelaria Silver Inc.	Canada	100%
Forrester Resources Corp.	Canada	100%
Rockridge Mali SARL	Mali	100%
Minera Forrester S.A.C.	Peru	100%
Compania Vena Peru S.A.C.	Peru	100%
Candelaria Inversiones Mineras S.A.C.	Peru	100%
Aurifera del Norte S.A.C.	Peru	100%
Compania Minera Vensix S.A.C.	Peru	100%
Compania Minera Nueva Princesa S.A.C.	Peru	78%

Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

Compania Minera Amantina S.A. was disposed of on October 13, 2017. Proceeds on the sale were negligible.

d) Functional and presentation currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Subsidiaries whose functional currencies differ from that of the parent company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive loss as cumulative translation differences.

The functional currency of Zinc One Resources Inc., Forrester Metals Inc., Vena Resources (2004) Inc., Candelaria Silver Inc., Forrester Resources Corp. and Rockridge Mali SARL is the Canadian dollar. The functional currency of Minera Forrester S.A.C., Compania Vena Peru S.A.C., Candelaria Inversiones Mineras S.A.C., Aurifera del Norte S.A.C., Compania Minera Vensix S.A.C. and Compania Minera Nueva Princesa S.A.C. is the Peruvian Sol.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations. All gains and losses on translation of a subsidiary from the functional currency to the presentation currency are charged to other comprehensive income.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive loss related to the foreign operation are reclassified to profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive loss related to the subsidiary are reallocated between controlling and non-controlling interests.

e) Change in accounting policy

Effective March 1, 2018, the Company voluntarily changed its accounting policy for exploration and evaluation expenditures to be capitalized as exploration and evaluation assets on the Company's statements of financial position. Previously, these expenditures were recognized in earnings in the period in which they were incurred. The change in accounting policy was applied retrospectively.

The change in accounting policy resulted in the following changes to the Company's financial statements as at February 28, 2018:

	Exploration and evaluation assets	Deficit
	$	$
Previously reported	22,805,919	31,444,036
Exploration and evaluation expenditures	1,337,656	(1,337,656)
Restated	24,143,575	30,106,380

f) Estimates, assumptions and measurement uncertainty

The presentation of these condensed interim consolidated financial statements requires management to make certain critical accounting estimates and to exercise judgment in applying the Company's accounting policies. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

(i) Judgments

Title to mineral property interests – Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Exploration and evaluation expenditures – The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. That judgment may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Business combination or asset acquisition – With each acquisition, the Company has to determine whether it should be accounted for as a business combination or an asset acquisition. As dictated by IFRS 3, *Business Combinations*, the components of a business must include inputs, processes and outputs. Management has assessed its acquisition of Forrester Metals Inc. and has concluded that it did not include all the necessary components of a business. As such, it has been recorded as an asset acquisition, being the purchase of mineral properties and/or working capital.

Proceeds of disposition receivable and reserve for environmental fines – The valuation of the proceeds of disposition receivable is dependent upon a number of factors affecting both the amount and timing of collection. The amount of the collection is dependent upon the outcome of certain rights of offset the creditor has against the Company and the timing of the payments to be received is dependent upon the timing of resolutions with respect to these rights of offset.

Going concern assumption – These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classifications used.

(ii) Estimates

Share-based payment – The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions 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 share option, volatility and dividend yield and making assumptions about them.

The estimated fair value of the note payable – The fair value of note payable is determined based on the discounted present value using assumptions of a discount rate of 17% and a term of one year. Changes in these input assumptions can significantly affect the fair value estimate.

3. RECENT ACCOUNTING PRONOUNCEMENTS

a) New and amended standards adopted by the Company

The IASB issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") in May 2014. The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods commencing on March 1, 2018. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements.

IFRS 9, *Financial Instruments* ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through P&L. The standard introduces a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement.

The standard is effective for accounting periods beginning on March 1, 2018. The Company has made the irrevocable classification choice to record fair value changes on current portfolio of investments in marketable securities through other comprehensive income. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements.

b) New standards and interpretations not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not completed its assessment of the impact that the new and amended standards will have on its financial statements. The Company also has not early adopted any of these standards in the condensed interim consolidated financial statements.

IFRS 16, *Leases* ("IFRS 16") specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact that the new guidance is expected to have on its financial statements.

(Unaudited – Expressed in Canadian Dollars)

4. ACQUISITION OF FORRESTER METALS INC.

On June 1, 2017, the Company closed the acquisition of Forrester Metals Inc. ("Forrester") pursuant to the terms of a definitive arrangement agreement (the "Arrangement") announced on March 7, 2017. The Company acquired all of the issued and outstanding common shares of Forrester by issuing 24,259,777 common shares of the Company. Under the terms of the Arrangement, each shareholder of Forrester received 1 common share of Zinc One ("Zinc One Share") for every 5.5 common shares of Forrester ("Forrester Shares"). All outstanding options and warrants of Forrester remained outstanding and were adjusted on the basis of 1 option or warrant of Zinc One for every 5.5 options or warrants of Forrester. This resulted in 1,210,909 additional options and 2,599,999 additional warrants of Zinc One. Total transaction costs of $185,437 and 1,000,000 of the Company's shares issued as finder's shares (at fair value of $540,000) have been included in the consideration paid to acquire Forrester.

In advance of closing of the Arrangement, the Company provided short term loans to Forrester totaling $1,999,530. The short term loans were extinguished upon closing of the Arrangement.

The transaction did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of mineral property interests with the Company acquiring the outstanding shares of Forrester on June 1, 2017. The consideration for the acquisition of Forrester has been allocated at fair value of the assets acquired and liabilities assumed, based on management's best estimate and taking into account all available information at the time of acquisition.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
24,259,777 common shares of the Company at $0.62 per share	15,041,062
Fair value of 1,210,909 stock options deemed granted by Zinc One	219,151
Fair value of 2,599,999 warrants deemed issued by Zinc One	502,108
Transaction costs	185,437
Finder's shares issued	540,000
	16,487,758

Net assets acquired	**$**
Cash	795,374
Receivables	913,883
Advances and prepaid expenses	4,052
Equipment	45,833
Exploration and evaluation assets	21,590,732
Liabilities	(6,862,116)
	16,487,758

The fair value of the 1,210,909 options deemed granted ($219,151) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: risk-free rate – 1.00%; expected life – 0.38-2.81 years; expected volatility – 33%; expected forfeitures – nil%; and expected dividends – nil.

The fair value of the 2,599,999 warrants deemed issued ($502,108) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: risk-free rate – 1.00%; expected life – 0.02-0.52 years; expected volatility – 0.01%-72.53%; expected forfeitures – nil%; and expected dividends – nil.

5. MARKETABLE SECURITIES

Marketable securities are classified as fair value through other comprehensive income (loss) financial instruments and, as a result, are measured at fair market value each reporting period with any change in fair value recognized through other comprehensive income (loss).

During the year ended February 28, 2018, the Company purchased marketable securities at a cost of $433,305. During the three months ended May 31, 2018, the Company sold all of its marketable securities, resulting in a realized gain of $52,165.

6. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, titles to all of its properties are in good standing.

a) Bongara Project

Subsequent to closing of the Arrangement on June 1, 2017, the Company exercised the option to acquire a 100% interest in Bongará Zinc Project and Charlotte Bongará Zinc Project, located in north-central Peru, by making final cash payments totaling $1,549,472 (US$1,150,000) to the original optionors. Both properties are subject to advance royalties one year after the projects are acquired and a 2% Net Smelter Return ("NSR") on production. The consolidation of these two assets provides an opportunity to re-activate an open-pit zinc-oxide mine in the near-term as well as re-initiate exploration across a total of 11,125 hectares where past drilling has encountered high grade zinc-oxide mineralization.

On July 5, 2017 the Company entered into a 5-year contract with the Campesina de Yambrasbamba Community (the "Community") for the surface access rights to the Bongara Project. The Company paid US$5,000 at signing and is required to make an annual payment of US$27,812 (paid for 2017) to the Community until 2021.

In addition, the following payments are to be made to the Community:

- S/. 15,000 (CAD$5,891) during 2017
- S/. 30,000 (CAD$11,781) during 2018
- S/. 30,000 (CAD$11,781) during 2019
- S/. 30,000 (CAD$11,781) during 2020
- S/. 30,000 (CAD$11,781) during 2021

As part of the contract, the Company is also required to spend a minimum of US$25,000 annually on social programs within the Community.

On October 9, 2017, the Company submitted a Letter of Credit in the amount of $2,150,208 (US$1,700,000) as an environmental bond relating to the Bongara Project.

b) Fatou Property

On December 22, 2009, the Company entered into a property option agreement with Bagoe National Corp. SARL. (“Bagoe”) and acquired a 100% interest in the Fatou Property by making payments totaling US$800,000 ($823,520). The Company was also required to complete a minimum of 5,000 metres of exploration drilling during the first year (completed) of the term of the agreement. At such time as the Company elects to move from an exploration license to an exploitation permit and upon issuance of an exploitation permit by the Mali government, a new company would be formed and the owners of that company would be Rockridge Mali (85%), the Mali government (10%) and Bagoe (5%). The interests of the Mali government and Bagoe in the new company would be carried interests. Bagoe would also retain a 2% NSR royalty in the Fatou Property. The Company would have a right of first refusal to purchase Bagoe's 5% carried interest in the new company and its 2% NSR.

During the year ended February 28, 2017, due to the geopolitical consideration and the financial constraints of holding exploration activities in Mali, the Company decided not to continue the exploration of the project. Accordingly, an impairment charge of $823,520 was recorded during the year ended February 28, 2017.

c) Crackingstone Uranium Property

During the year ended February 28, 2017, the Company completed a mineral purchase agreement with St. Jacques Mineral Corp. (“St. Jacques”) to acquire 100% interest in the Crackingstone Uranium Property (the “Crackingstone Property”) which consisted of nine mineral dispositions totalling 3,336 hectares, located in the Northern Mining District of Saskatchewan. Pursuant to the terms of the agreement, the Company paid $10,000 and issued 3,375,000 common shares (at a fair value of $1,350,000) of the Company to St. Jacques. In connection with the transaction, the Company also issued a finder 330,000 common shares (at fair value of $132,000) of the Company.

The Company was required to incur a total of $500,000 of exploration expenditures within 18 months of the day of the agreement (the “Exploration Commitment”). Management decided that it would no longer pursue the Crackingstone Property, and accordingly, wrote-down the property to $nil, recognizing an impairment charge of $1,492,000 for the year ended February 28, 2017.

d) Scotia Zinc Property

On January 24, 2017, the Company closed the acquisition of the Scotia Zinc Property in British Columbia, (the “Scotia Property”) pursuant to the terms of an option agreement (the “Option Agreement”) with Aldever Resources Inc. to acquire a 100% interest in the Scotia Property. The Scotia Property is primarily a zinc project, consisting of one mineral claim totaling 1,081 hectares, located in the Scotia River area, approximately 40 km southeast of Prince Rupert in west central British Columbia.

Under the terms of the Option Agreement, the Company paid $25,000 and issued 300,000 common shares (at fair value of $210,000) of the Company. In addition, the Company agreed to: (a) pay $25,000 and issue a total of 450,000 common shares of the company on or before the first anniversary of the Option Agreement, and (b) issue 600,000 common shares of the Company and incur $500,000 in exploration expenditures on or before the second anniversary of the Option Agreement. The Company also issued a finder 84,000 common shares (at fair value of $58,800) in connection with the closing of the transaction.

During the year ended February 28, 2018, management decided that it would no longer pursue the Scotia Property, and accordingly, wrote-down the property to $nil, recognizing an impairment charge of $293,800 for the year ended February 28, 2018.

e) Other

The Company has an interest in other properties. These include the Esquilache Project, Compin / Omay Project, Pukara Project, Azulcocha West Property, and the Las Princesas Property.

Esquilache Project

On June 1, 2017, the Company acquired the Esquilache Silver Project (“Esquilache Project”), located in Southern Peru, as a result of the acquisition of Forrester. On August 25, 2017, the Company entered into a binding letter of intent (the "LOI") with Nubian Resources Ltd. ("Nubian") whereby the Company agreed to sell 100% interest in the Esquilache Project. $25,000 was received for a 60-day exclusivity during which due diligence was conducted.

Under the terms of the LOI, Nubian has agreed to pay $600,000 on closing which will consist of: (i) a minimum of $125,000 in cash ($25,000 received during the year ended February 28, 2018 and $100,000 received during the three months ended May 31, 2018); and (ii) up to $475,000 in common shares of Nubian calculated on the volume weighted average price ("VWAP") for the 60 calendar days preceding the LOI date.

Further, the Company will receive four non-refundable annual advanced NSR payments of $162,500. The Company will also retain a 2% NSR of which Nubian will have the right to purchase 1% for $500,000 at any time, until the third anniversary of the first sale of gold, silver or concentrate. On December 28, 2017, the parties entered into a definitive agreement and the Esquilache properties were transferred to Nubian. As at May 31, 2018, $550,000 was recorded as accounts receivable owing from Nubian.

Compin / Omay Project
On June 1, 2017, the Company acquired the Compin property located in the La Libertad Department south of Huamachuco, Peru, as a result of the acquisition of Forrester.

The Compin Project is currently optioned to OMAY S.A. ("OMAY") for the exploration and evaluation of the Gianderi property. The outstanding option payments were US$250,000 and US$350,000 due in September of 2017 and 2018, respectively.

In addition, as part of the agreement, there is a sliding scale royalty payable to the Company for the mining rights concession commencing on production, which is based on gold prices and revenues from commercial production net of certain costs and expenses.

During the year ended February 28, 2018 and subsequent to May 31, 2018, the option agreement was modified such that OMAY paid US$50,000 ($64,517) on November 29, 2017 and the remaining option payments are US$45,000 by November 30, 2018 (US$5,000 received), US$50,000 by March 19, 2019, US$100,000 by September 30, 2019 and US$350,000 by February 20, 2020. The sliding-scale royalty was also simplified. OMAY has the right to purchase 1% of the NSR.

Pukara Project
On June 1, 2017, the Company acquired the Pukara Project located in the Pukara area of southern Peru, as a result of the acquisition of Forrester. Management of the Company has decided not to pursue the Pukara Project and the concessions were transferred to a local miner. Accordingly the Company has allocated $nil to the project in the allocation of assets acquired and liabilities assumed from Forrester.

Azulcocha West Property
On June 1, 2017, the Company acquired the Azulcocha West Property located in the Department of Junin, as a result of the acquisition of Forrester. It is an early stage exploration project currently subject to an arbitration claim detailed in Note 10.

Las Princesas Property
On June 1, 2017, the Company acquired the Las Princesas Property located in the Department of La Libertad, as a result of the acquisition of Forrester. The property is owned by Nueva Princesa S.A.C., 78% of which is owned by the Company through its subsidiary, Compania Vena Peru S.A.C. Management of the Company has decided not to pursue the Las Princesas Property and on September 25, 2017, the Company transferred its majority interest in the property to the minority owner.

(Unaudited – Expressed in Canadian Dollars)

Accordingly the Company has allocated $nil to the project in the allocation of assets acquired and liabilities assumed from Forrester.

f) Acquisition costs and exploration and evaluation expenditures

	Bongara $	Scotia $	Crackingstone $	Fatou $	Other $	Total $
February 28, 2017	**-**	**293,800**	**-**	**-**	**-**	**293,800**
Acquisition costs – cash	1,879,704	-	-	-	-	1,879,704
Acquisition – Pursuant to the asset acquisition	20,926,215	-	-	-	664,517	21,590,732
Assaying	67,384	-	-	-	-	67,384
Camp	46,307	-	-	-	-	46,307
Community outreach	162,032	-	-	-	-	162,032
Consulting fees	27,958	14,478	-	-	-	42,436
Environmental	204,993	-	-	-	3,361	208,354
Geological	140,632	-	-	-	-	140,632
Other	1,200	-	-	-	1,309	2,509
Preliminary Economic Assessment	79,136	-	-	-	-	79,136
Professional fees	92,289	-	-	-	619	92,908
Site support and office costs	432,429	-	-	-	443	432,872
Surveying	46,014	-	-	-	-	46,014
Travel	31,550	-	-	-	-	31,550
Option payments received – cash	-	-	-	-	(114,517)	(114,517)
	24,137,843	308,278	-	-	555,732	25,001,853
Sale of exploration and evaluation assets	-	-	-	-	(550,000)	(550,000)
Write-down	-	(308,278)	-	-	-	(308,278)
February 28, 2018	**24,137,843**	**-**	**-**	**-**	**5,732**	**24,143,575**

(Unaudited – Expressed in Canadian Dollars)

	Bongara	Scotia	Crackingstone	Fatou	Other	Total
	$	$	$	$	$	$
February 28, 2018	**24,137,843**	**-**	**-**	**-**	**5,732**	**24,143,575**
Assaying	65,007	-	-	-	-	65,007
Camp	63,052	-	-	-	-	63,052
Community outreach	86,772	-	-	-	-	86,772
Consulting fees	8,042	-	-	-	-	8,042
Environmental	38,467	-	-	-	-	38,467
Geological	158,775	-	-	-	-	158,775
Other	473	-	-	-	-	473
Preliminary economic assessment	9,940	-	-	-	-	9,940
Professional fees	1,212	-	-	-	-	1,212
Site support and office costs	595,773	-	-	-	-	595,773
Travel	53,625	-	-	-	-	53,625
May 31, 2018	**25,218,981**	**-**	**-**	**-**	**5,732**	**25,224,713**

7. PROCEEDS OF DISPOSITION RECEIVABLE

The balance of the proceeds of disposition receivable corresponds to an account receivable of USD$2,200,000 and is comprised as follows:

	May 31, 2018	February 28, 2018
	$	$
Nominal value of the proceeds of disposition	2,848,560	2,817,980
Balance of unaccreted portion	(413,892)	(409,450)
Reserve for environmental fines	(1,618,500)	(1,601,033)
Fair value of the proceeds of disposition receivable	816,168	807,497

On September 28, 2012, Forrester signed a binding share purchase agreement, whereby it sold its 70% interest in its former subsidiary Azulcochamining S.A. ("Azulcochamining"), which held the Azulcocha Property, to Trafigura Beheer B.V. ("Trafigura"). In accordance with the terms of the share purchase agreement and a related assignment agreement, Trafigura agreed to pay an aggregate purchase price of US$5 million to Forrester as well as a 10% Net Profit Interest ("NPI") on future production. Such NPI can be purchased for an additional US$2 million at any time.

On closing of the transaction, Forrester no longer bore any further responsibility for costs in connection with the future development and operation of the Azulcocha Property. The purchase price consists of: (i) US$2.5 million on the satisfaction of certain customary closing conditions (paid) and (ii) USD$2.5 million in 23 consecutive monthly installments of USD$100,000 commencing on October 1, 2013 (first three installments paid) and a final installment of US$200,000. US$2.2 million of the purchase price remains outstanding as at May 31, 2018. Certain environmental fines outlined below and the results of the arbitration on the Azulcocha West Property have resulted in these payments being held in escrow pending the outcome.

The Company has recorded a reserve for US$1,250,000 as its best estimate of the amount that will ultimately be required to settle the environmental fines. The reserve is presented as a reduction of the proceeds receivable and a reserve for environmental fines, resulting in net proceeds of disposition receivable of $816,168 at May 31, 2018. It is currently the Company's position that the receivable will not be collected before February 28, 2019 and, accordingly, this receivable has been reclassified as non-current.

On December 31, 2015, a present value of the proceeds of disposition receivable was determined using a annual discount rate of 12%, with the corresponding unaccreted portion charge of $200,000 being recorded in financing and transaction costs. During the years 2016, 2017 and 2018, Forrester received no payments for this receivable and accordingly has not accreted this discount. On February 28, 2018 the unaccreted portion was increased to $409,450 using a discount rate of 17%.

(Unaudited – Expressed in Canadian Dollars)

8. EQUIPMENT

	Machinery	Furniture	Equipment	Computer	Total
	$	$	$	$	$
Cost					
Balance at February 28, 2017	-	-	-	-	-
Acquired on asset acquisition	32,518	12,870	40,385	21,058	106,831
Additions	4,948	38,074	1,968	2,909	47,899
Foreign exchange	(1,575)	(797)	(2,925)	(1,064)	(6,361)
Balance at February 28, 2018	35,891	50,147	39,428	22,903	148,369
Foreign exchange	265	175	292	169	901
Balance at May 31, 2018	36,156	50,322	39,720	23,072	149,270
Accumulated depreciation					
Balance at February 28, 2017	-	-	-	-	-
Assumed on asset acquisition	14,388	6,238	21,478	18,894	60,998
Depreciation	2,321	4,224	2,554	1,355	10,454
Foreign exchange	(698)	(311)	(2,035)	(912)	(3,956)
Balance at February 28, 2018	16,011	10,151	21,997	19,337	67,496
Depreciation	776	1,363	801	185	3,125
Foreign exchange	122	56	165	144	487
Balance at May 31, 2018	16,909	11,570	22,963	19,666	71,108
Carrying amount at February 28, 2018	19,880	39,996	17,431	3,566	80,873
Carrying amount at May 31, 2018	**19,247**	**38,752**	**16,757**	**3,406**	**78,162**

9. LOAN PAYABLE

As a result of the acquisition of Forrester, the Company assumed a loan payable with a principal balance of $12,500 to Irwin Lowy LLP, which bears interest at a rate of 10% per annum and is payable on demand. The balance of the loan payable is $16,879 as at May 31, 2018 (February 28, 2018 – $$16,567).

10. SETTLEMENT OF LAWSUIT

Under the original letter agreement entered into by Forrester in 2006 with Empresa Minera Los Quenuales S.A, a company owned by Glencore plc of Switzerland (“LQ”), LQ agreed to invest US$2,750,000 in exploration expenditures, provide a satisfactory feasibility study and pay US$1,000,000 to acquire a 51% interest in the Azulcocha West Property. None of these requirements were met. In April 2010, Forrester and LQ signed a Letter of Intent ("LOI") which was never formalized in an agreement. On September 28, 2012 Forrester signed a binding share purchase agreement whereby it sold its 70% interest in its former subsidiary Azulcochamining which held the Azulcocha West Property to Trafigura (Note 7).

(Unaudited – Expressed in Canadian Dollars)

In the lawsuit, (i) LQ argued that the LOI effectively extended the term of original letter agreement and therefore it was not necessary to sign a further binding agreement and LQ sued Forrester for US$13,000,000 in damages for loss of profits; and (ii) Forrester countersued LQ for US$9,130,000 in damages based on the fact that the LOI did not extend the original letter agreement's term and further that LQ acted in bad faith preventing the signing of the binding agreement outlining the agreed terms of the LOI. On May 26, 2014, an arbitration panel, with two votes in favor and one against, determined that Forrester, Compania Vena Peru S.A.C., and Azulcochamining must jointly and severally pay LQ, US$2,342,093 for damages (the "Arbitral Award").

On November 30, 2015, the Ontario Superior Court of Justice ordered to recognize the Arbitral Award in the amount of US$2,342,093 to be converted to Canadian dollars at the exchange rate of 1.3223 CAD$ per US$ and 1.3% of simple annual interest from May 23, 2012 to November 30, 2015. An annual interest of 3% is applicable starting on the date of the judicial order until the payment of the award.

On February 2, 2018, the Company entered into a settlement agreement whereby, the Company issued a promissory note in the amount of $3,536,538 and paid $100,000 against the principal of the note. As at May 31, 2018, the outstanding balance of the promissory note plus accrued interest was $898,187 (February 28, 2018 – $3,480,135). The note bore interest at a rate of 17.75% per annum.

Subsequent to May 31, 2018, the outstanding balance of the promissory note plus accrued interest was repaid in full.

11. NOTE PAYABLE

On July 1, 2013, the Company entered into an amended Consulting Services Agreement with Namakan Damafing Keita ("Namakan") pursuant to which the Company is obligated to pay to Namakan US$2,500 per month for geology consulting services within the Republic of Mali. On December 1, 2015, the Company entered into an arrangement to settle overdue amounts payable to Namakan. Under the arrangement US$45,000 due to Namakan under the amended Consulting Services Agreement was converted to a promissory note due and payable in May 2019. The promissory note bears interest at 6% per annum, payable quarterly in arrears, and is secured by a charge over the Fatou Property. The Company has the right to repay the principal of the promissory note plus interest, at any time, without notice. The change in the note payable is as follows:

	$
Balance, February 28, 2017	64,242
Interest	3,492
Foreign exchange	(2,317)
Balance, February 28, 2018	65,417
Interest	881
Foreign exchange	710
Balance, May 31, 2018	**67,008**

12. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Forward Stock-split

Effective January 24, 2017, the Company completed a forward split of its issued and outstanding common shares on the basis of 1.5 post-split common shares for one pre-split common share (the "Split"). All references to share and per share amounts in these financial statements have been retroactively restated to reflect the Split.

c) Financings

On May 3, 2017, the Company closed a private placement financing by issuing a total of 16,666,667 units for gross proceeds of $10,000,000. Each unit consists of one common share and one-half of one share purchase warrant (each a "Warrant"), with each whole Warrant entitling the holder to purchase one additional common share at a price of $0.90 per share for a period of 24 months from the date of issue. The Company incurred share issuance costs of $231,370 in connection with the private placement.

On June 1, 2017, the Company issued 24,259,777 common shares at a fair value of $15,041,062 in the acquisition of Forrester (see Note 4). The Company also issued 1,000,000 common shares as finder's shares at fair value of $540,000.

During the year ended February 28, 2018, the Company issued 780,088 common shares pursuant to exercise of warrants for total gross proceeds of $231,779. A value of $247,333 was transferred from contributed surplus to share capital as a result.

On May 7, 2018, the Company issued 450,000 common shares pursuant to exercise of options for gross proceeds of $59,850. A value of $56,836 was transferred from contributed surplus to share capital as a result.

On May 22, 2018, the Company closed the private placement financing by issuing a total of 16,063,286 units ("Units") at a price of $0.24 per Unit for gross proceeds of $3,855,189. Each Unit is comprised of one common share and one-half of one common share purchase warrant ("Warrant"), with each whole Warrant entitling the holder to purchase one additional common share at $0.35 per share for a period of three years from the date of issue. The Company paid finders a total of $57,401 and issued finders a total of 227,172 Warrants at fair value of $41,824.

(Unaudited – Expressed in Canadian Dollars)

d) Stock options

The Company has an incentive stock option plan, whereby options may be granted from time to time to directors, officers, employees and consultants of the Company with common shares to be reserved for issuance as options not to exceed 10% of the then issued and outstanding common shares. No one individual may be granted more than 5% of the issued and outstanding common shares. The options can be granted for a maximum term of 5 years.

Details of options activity for the year ended February 28, 2018 and three months ended May 31, 2018 are as follows:

	Number of Options #	Weighted Average Exercise Price $
Balance, February 28, 2017	3,600,000	0.133
Granted	3,275,000	0.64
Pursuant to acquisition (Note 4)	1,210,909	0.54
Forfeited	(550,000)	0.65
Expired	(601,818)	0.58
Balance, February 28, 2018	6,934,091	0.37
Exercised	(450,000)	0.133
Balance, May 31, 2018	6,484,091	0.38
Unvested	(1,160,000)	0.43
Exercisable, May 31, 2018	5,324,091	0.64

The balance of options outstanding as at May 31, 2018 was as follows:

Expiry Date	Exercise Price $	Remaining Life (Years)	Options Outstanding #
October 4, 2018	0.55	0.35	27,273
August 10, 2019	0.44	1.19	390,909
March 25, 2020	0.66	1.81	190,909
October 20, 2021	0.133	3.39	3,150,000
May 16, 2022	0.65	3.96	2,525,000
October 4, 2022	0.55	4.35	200,000
		3.45	6,484,091

(Unaudited – Expressed in Canadian Dollars)

During the year ended February 28, 2018, the Company granted 3,275,000 stock options to certain directors, officers, and consultants. The stock options have exercise prices ranging from $0.55 to $0.65 per share and a life of 5 years. The stock options have a fair value of $1,805,100 and vest 25%, 35% and 40% every six month from the grant dates.

Pursuant to the acquisition of Forrester (Note 4), the Company assumed all of the outstanding options of Forrester adjusted on the basis of 1 option of Zinc One for every 5.5 options of Forrester. This resulted in 1,210,909 additional options deemed granted by the Company. The stock options deemed granted have exercise prices ranging from $0.44 to $1.43 per share, life ranging from 0.38 to 2.19 years, fair value of $219,151 and are fully vested.

The fair value of the options granted was estimated on the dates of grant using the Black-Scholes option valuation model with the following weighted average assumptions:

	February 28, 2018
Dividend yield	**Nil**
Expected annualized volatility (%)	**33 - 134**
Risk-free interest rate (%)	**1 – 1.6**
Expected life of options (years)	**0.38 - 5**
Grant date fair value ($)	**0.50 – 0.65**
Forfeiture rate (%)	**Nil**

Option pricing models require the input of subjective assumptions including the expected price volatility and the expected option life. Expected price volatility was calculated based on the Company's historical share prices. Changes in these assumptions can materially affect the estimated fair value of the stock options granted.

During the three months ended May 31, 2018, the Company recorded share-based payments expense of $275,555 (2017 – $181,888).

e) Warrants

Details of warrants activity for the year ended February 28, 2018 and three months ended May 31, 2018 are as follows:

(Unaudited – Expressed in Canadian Dollars)

	Number of Warrants #	Weighted Average Exercise Price $
Balance, February 28, 2017	-	-
Issued	8,350,697	0.90
Pursuant to acquisition (note 4)	2,599,999	0.44
Exercised	(780,089)	0.30
Expired	(1,837,273)	0.495
Balance, February 28, 2018	8,333,334	0.90
Issued	8,258,815	0.35
	16,592,149	0.63

The balance of warrants outstanding as at May 31, 2018 is as follows:

Expiry Date	Exercise Price $	Remaining Life (Years)	Warrants Outstanding #
May 3, 2019	0.90	0.92	8,333,334
May 17, 2021	0.35	2.96	8,258,815
		1.94	16,592,149

Pursuant to the acquisition of Forrester (Note 4), the Company assumed all of the outstanding warrants of Forrester adjusted on the basis of 1 warrant of Zinc One for every 5.5 warrants of Forrester. This resulted in 2,599,999 warrants deemed issued. During the year ended February 28, 2018, all of the 2,599,999 warrants deemed issued were exercised or expired unexercised.

13. RELATED PARTY TRANSACTIONS

The Company incurred charges to directors and officers, or to companies associated with these individuals during three months ended May 31, 2018 and 2017 as follows:

	2018 $	2017 $
Accounting and corporate secretarial fees	17,309	25,112
Management fees	123,819	30,000
Share-based payment	150,741	115,015
	291,869	170,127

Due to related parties at May 31, 2018 is $88,056 (February 28, 2018 – $63,236) owing to a company controlled by a former director and in which the CFO is an associate, President and CEO, COO, the current and former directors of the Company, or companies controlled by related parties.

(Unaudited – Expressed in Canadian Dollars)

Key management of the Company includes the CEO and President, CFO, COO and the Directors. During the three months ended May 31, 2018, compensation paid to key management consisted of management fees of $123,819 (2017 – $30,000) paid to President and CEO, COO, and accounting and corporate secretarial fees of $17,309 (2017 – $25,112) paid to a company controlled by a former director and in which the CFO is an associate.

14. SEGMENT INFORMATION

During the three months ended May 31, 2018, the Company had three reportable operating segments, being the acquisition and exploration of interests in mineral properties located in three geographical segments, Canada, Peru and Africa. Geographic information is as follows:

	Total assets as at May 31, 2018	**Total assets as at February 28, 2018**
	$	**$**
Canada	373,695	696,032
Peru	29,561,767	28,564,420
Total assets	29,935,462	29,260,452

	Total liabilities as at May 31, 2018	**Total liabilities as at February 28, 2018**
	$	**$**
Canada	507,747	455,206
Peru	1,538,633	4,002,348
Africa	67,008	65,417
Total liabilities	2,113,388	4,522,971

Geographic segmentation of the Company’s loss during three months ended May 31, 2018 and 2017 is as follows:

	2018	**2017**
	$	**$**
Canada	750,742	777,215
Peru	352,939	-
Africa	881	919
	1,104,562	778,134

15. CONTINGENCY

During the year ended February 29, 2016, Rockridge Mali SARL received a demand letter from a party alleging a breach of agreement for the amount of 50,000,000 West African CFA Franc (approximately $10,500). The dispute was submitted to the Labour Court of Bamako and on October 27, 2014 the court dismissed the case. The party appealed the Court's ruling on June 2, 2015. The final decision is subject to the Court of Appeals. Rockridge Mali SARL denies the allegations and will take all steps available to fully protect its interests. The probability of the outcome of the lawsuit cannot be determined at this time. A liability has not been accrued in the financial statements.

16. COMMITMENTS

On July 15, 2017, the Company entered into a lease agreement for the use of office premises in Lima, Peru until July 15, 2019 at US$1,800 per month. The amount of the total lease payments committed is $20,976 for the year ended February 28, 2019, and $10,488 for the year ended February 29, 2020.

Other commitments related to exploration and evaluation assets are described in Note 6.

17. SUBSEQUENT EVENT

On June 28, 2018, the Company closed the final tranche of a private placement financing by issuing 6,532,216 units ("Units") at a price of $0.24 per Unit for gross proceeds of $1,567,732. Each Unit is comprised of one common share and one-half of one common share purchase warrant ("Warrant"), with each whole Warrant entitling the holder to purchase one additional common share at $0.35 per share for a period of three years from the date of issue. The Company paid finders a total of $4,293 and issued finders a total of 17,889 Warrants.