410-1040 West Georgia Street
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MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2018

INTRODUCTION
The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the three and six months ended August 31, 2018 prepared as of October 30, 2018, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended August 31, 2018 of Zinc One Resources Inc. (the "Company" or "Zinc One"), together with the audited consolidated financial statements of the Company for the year ended February 28, 2018 as well as the accompanying MD&A for the year then ended. The MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company.

The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS
The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

CORPORATE OVERVIEW
The Company was incorporated in the Province of British Columbia on January 12, 2007 under the Business Corporations Act of British Columbia. Effective January 23, 2017, the Company changed its name from Rockridge Capital Corp. to Zinc One Resources Inc. On 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") and changed its trading symbol to "Z". All references to share and per share amounts in this document have been retroactively restated to reflect the Split. 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's sole activity is exploring and developing its exploration properties, and the investigation of other potential transactions in the spectrum of mineral resource exploration and development. To date the Company has not yet determined whether its properties contain ore reserves that are economically recoverable.

ACQUISITION OF FORRESTER METALS INC.
On June 1, 2017, the Company completed 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.

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

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.

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	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.

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 Mine 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 underlying property vendors. Both properties are subject to advance royalties one year after the projects are acquired and a 2% Net Smelter Return ("NSR") on production. These two assets are located in the Amazonas Department of north-central Peru and their consolidation 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.

The Bongará non-sulphide zinc mineralization was discovered in 1974 and since then various companies have completed exploration programs across the area. The mineralization is concentrated along and proximal to a NW-trending anticlinal axis over approximately 2.5 kilometres. From the southeast edge of the project, the Mina Grande, Mina Chica and Bongarita mine areas were subject to sampling from pits and trenches as well as shallow drilling over a distance of approximately 1.2 kilometres. In 2006, Cementos Pacasmayo S.A.A. (NYSE: CPAC) ("CP"), an affiliate of Hochschild Mining PLC (LSE: HOC), contracted Minconsult SRL of Lima, Peru, which estimated resources based on 69 diamond drill holes for 1,975m and 476 pits in the Mina Grande, Mina Chica, and Bongarita areas applying inverse-distance to the fifth power to 10 metre x 10 metre x 4 metre blocks in Mine Site; density input was 1.6g/cc. A Qualified Person has not completed sufficient work to verify this historical estimate as a current resource estimate and is not treating the historical estimate as a current resource estimate. Additional surface samples, trench samples, and drill hole samples will be required to comply with National Instrument ("NI") 43-101 guidelines in order to provide a current resource estimate. This zinc-oxide mineralization appears to continue to the northwest into an additional exploration area known as Campo Cielo, where additional high grade, zinc-oxide mineralization in historical pits and trenches was encountered.

CP commenced mining operations in March 2007 and over 17 months sent 106,701t at 24.1% Zn for processing in a Waelz kiln, and at the end of 2008, had a stockpile of 31,713t at 20.0% Zn. CP has remediated most of the area affected by mining activity. In March 2017, Forrester submitted a letter to the Peru Ministry of Energy and Mines ("MEM") that requested a suspension of the mine-closure activities so that exploration and development could be re-initiated. On August 18, 2017, MEM approved the suspension, thus assigning the mine-closure responsibility to Zinc One's Peruvian subsidiary, Minera Forrester S.A.C., who on October 9, 2017, submitted a Letter of Credit in the amount of $2,150,208 (US$1,700,000) as an environmental bond, which will be held until the reclamation requirements are met. Subsequently to August 31, 2018, the environmental bond was reduced to US$1,290,000.

The adjacent Charlotte Bongará Zinc- Project was explored by Solitario Resources in 1994. Cominco Ltd. later completed five drill holes for 592 metres within the property, two of which encountered near-surface, high-grade zinc-oxide mineralization. Between 2007 and 2011, Rio Cristal Zinc optioned the project and eventually drilled 95 drill holes for a total of 7,722 metres on the Cristal and Charlita prospects. Rio Cristal drill results included 29.5% Zn across 15.5 metres, 26.1% Zinc across 12.5 metres, 29.7% Zinc across 11.5 metres (the cited intervals are drill-intercept widths and true widths are unknown).

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.

Surface-Sampling Program

On December 19, 2017, January 25, 2018 and February 21, 2018, the Company reported results from an ongoing surface-sampling program at its Bongará Zinc Mine Project in north-central Peru. The program included a total of 446 samples from historic pits and surface channel samples from the Bongarita, Mina Chica, Mina Grande Sur, and Mina Grande Norte areas of known mineralization. Highest grades include a surface channel sample (C-008-17) with 31.92% zinc over 32.2 metres, a surface channel sample (C-009-17) that yielded 28.98% zinc over 51.2 metres, and 36.50% zinc over a 6.0-metre depth in an exploration pit (P4-17), a surface channel sample (C-011-17) with 45.0 metres of 27.7% zinc and 4.0 metres of 30.5% zinc from an exploration pit (P285-17). They were all located in the southern end of a 1.4-kilometre long trend of zinc mineralization in the area referred to as Mina Grande Sur (formerly Fase C).

The Company also reported sample results from the Mina Grande Norte area. Highlights from that program include 5.0 metres of 43.9% zinc from exploration pit P185-17 and 5 metres of 29.5% zinc from exploration pit P009-17. Mineralization is open at depth in both pits.

Drill Program

In December 2017, MEM approved 124 drill platforms, with up to three drill holes per platform with an average drill depth of approximately 25 metres, along a 1.4-kilometre trend that includes the near-surface, high-grade, zinc-oxide mineralization at Bongarita, Mina Chica, and Mina Grande.Results from the drill program will be used to prepare a resource estimate according to NI 43-101 expected to be released in Q3 2018. The results will also be used to better define the thickness and lateral extent of the mineralization that was not previously delineated by the surface channel and pit sampling nor by previous drilling. This additional work at Bongará will continue to form the basis for advancement the development timeline. The program was completed in early July and 264 holes for 7,930.6 metres were drilled.

The Company filed a new permit application to drill from approximately 300 more platforms in areas surrounding the current drill program. The objective of this planned drilling will be to delineate and expand mineral resources beyond that which will be delineated by the current drill program, explore for other mineralized bodies, and condemn areas for mine infrastructure. Focus will be along the eastern, western, and southern edges of the Mina Grande Sur area, between Mina Chica and Bongarita, and between Mina Chica and Mina Grande Norte. These are areas that were not not sufficiently explored and which the current program could not include. In addition, the Company is considering a drill program comprised of 40 drill platforms at Campo Cielo, which has promising exploration upside due to its proximity to Bongarita. This area has been subject to past trenching and sampling that revealed high-grade zinc-oxide mineralization at or near the surface, similar to the outcropping mineralization at Mina Chica and Mina Grande.

Mina Grande Sur

During 2018, the Company received the drill results from the drill program at the southern area of the Mina Grande Sur zone, part of the Bongará Zinc Mine project located in north-central Peru. Drilling in this area of

Mina Grande Sur has been focused on the delineation of near-surface, high-grade mineralization. To date, results from 50 drill holes for a total of 803.6 metres at Mina Grande Sur have been reported with results from the 45 remaining holes to be reported imminently. The drill program at Mina Grande Sur has now been completed and included a total of 2,328.4 metres from 95 holes. The results of this drill program continue to demonstrate the potential value of the project and will provide valuable information towards advancement of the project going forward.

Drill results highlights:

- Significant intercepts include:
    - MGS18001 - 5.5 metres of 26.1% zinc, starting at 3.0 metres drill depth
    - MGS18003 - 4 metres of 32.5% zinc, starting at surface
    - MGS18003 - 15 metres of 21.5% zinc, starting at 15.0 metres drill depth
    - MGS18004 - 9.1 metres of 43.6% zinc, starting at surface
    - MGS18006 - 14.1 metres of 32.8% zinc, starting at surface
    - MGS18016 — 4.7 metres of 26.1% zinc, from surface
    - MGS18017 — 8.2 metres of 42.7% zinc, from 7.5 metres drill depth
        - True vertical thickness of 5.8 metres from true vertical depth of 5.3 metres
    - MGS18020 — 20.5 metres of 34.3% zinc, from surface
        - True vertical thickness of 14.5 metres
    - MGS18047 — 11.2 metres of 24.7% zinc, from 1.8 metres drill depth
        - True vertical thickness of 9.7 metres from true vertical depth of 1.6 metres
    - MGS18046 — 4.5 metres of 36.1% zinc, from surface
        - True vertical thickness of 3.2 metres
- Mineralization at Mina Grande Sur includes zinc oxides, carbonates and silicates hosted by soils, highly-weathered carbonates, and fine- to coarse-grained dolomites.
- Mineralization is open to the south and southwest.

Mina Chica

During 2018, the Company discovered a high-grade, zinc-oxide deposit located in the Mina Chica zone. The discovered deposit is approximately 200 metres long in a NW-SE direction and 120 metres wide in a NW-SW direction and is open to the west and includes a core that is 100 metres by 100 metres with zinc grades in excess of 30%. A total of 53 holes for 2,327.9 metres were drilled.

Drill results highlights:

- 53 drill holes for 2,370.9 metres have been drilled from 18 platforms.
- Significant intercepts include:
    - MCH18004 — 16.5 metres of 35.6% zinc, from 15.0 metres drill depth
    - MCH18005 — 18.0 metres of 31.0% zinc, from 20.8 metres drill depth
        - True vertical thickness of 12.7 metres starting at 14.7 metres drill depth
        - Mineralization is open at depth (final 1.5 metres assayed 11.4% zinc)
    - MCH18006 — 20.8 metres of 23.8% zinc from the surface
        - True vertical thickness of 14.7 metres to true vertical depth of 14.7 metres
    - MCH18010 - 12.0 metres of 26.6% zinc, from 1.5 metres drill depth
    - MCH18013 - 19.8 metres of 46.8% zinc, from 1.9 metres drill depth
    - MCH18014 - 49.5 metres of 38.7% zinc, from 7.3 metres drill depth
        - True vertical thickness of 35.0 metres from true vertical depth of 5.1 metres
    - MCH18022 – 12.7 metres of 38.0% zinc, from 6.0 metres drill depth
    - MCH18026 – 28.5 metres of 20.1% zinc, from 4.3 metres drill depth •
        - True vertical thickness of 20.1 metres from true vertical depth of 3.0 metres
    - MCH18027 - 14.8 metres of 28.4% zinc, from surface

    - MCH18035 - 39.0 metres of 27.4% zinc, from 23.8 metres drill depth
        - True vertical thickness of 27.6 metres from a true vertical depth of 16.8 metres
        - Intercept is open to the west
    - MCH18041 -14.8 metres of 27.5% zinc from 5.8 metres drill depth
        - True vertical thickness of 14.8 metres from a true vertical depth of 4.1 metres
- Mineralization at Mina Chica includes hydrozincite (a zinc-oxide mineral), smithsonite (a zinc carbonate mineral), and and hemimorphite (a zinc silicate mineral) hosted by soils, highly-weathered carbonates, and fine- to coarse-grained dolomites, all of which have evidence of brecciation.
- Mineralization is open to the west.

Bongarita
On April 11, 2018, the Company announced the final drill results from the Bongarita area..

Drill results highlights:
- A total of 36 holes for 587.2 metres were drilled at Bongarita.
- Significant intercepts include:
    - BO18005 - 11.5 metres of 16.0% zinc, starting at surface
    - BO18005 - 5.7 metres of 29.2% zinc, starting at 5.8 metres drill depth
    - BO18007 - 7.0 metres of 25.3% zinc, starting at surface
    - BO18022 - 2.4 metres of 38.1% zinc, from 1.5 metres drill depth
    - BO18033 - 2.4 metres of 42.8% zinc, from 7.9 metres drill depth
        - True thickness of 1.7 metres starting at 5.6 metres true drill depth
    - BO18029 - 5.8 metres of 19.1% zinc from the surface
        - True thickness of 4.1 metres to true drill depth of 4.1 metres
- Zinc mineralization, mostly in silicates, has been delineated within an area of approximately 7,500 square metres
- All zinc mineralization is hosted by soils
- The zinc mineralization is nearly delineated- it is open eastward in the NE sector where BO18033 and BO18036 had 1-2 metre intercepts of30% zinc.

The drilling at Bongarita essentially confirmed that the amount of mineralized soils should be similar in size and grade to the historical resource. The Company anticipates that these drill data, along with the previous pit and channel sampling data, will provide enough data to contribute to the delineation of a resource. The high-grade soils found at Bongarita would require very little stripping and blasting and could possibly be included in the operational startup depending on the outcome of the upcoming resource estimate.

Mina Grande Centro

At Mina Grande Centro, 64 holes for 2,237.3 metres were drilled. Visual mineralization was encountered in most holes and the mineralization is open to the east. Assays will be reported upon receipt.

Mina Grande Norte

The drill program in this sector focused on delineating the western perimeter of near-surface, zinc-oxide mineralization encountered by historical drilling and confirmed by Zinc One's pit sampling. A total of 16 holes for 449.8 metres. Assays will be reported upon receipt.

FATOU PROPERTY
The Company held certain gold exploration properties in Mali, West Africa. The historic exploration has been focused primarily on the Fatou property in the southern part of the country. The historic exploration programs identified several zones hosting gold in veins. The principal target among these, the Fatou Main, was the subject of an initial inferred resource estimate.

An amended 43-101 report with an effective date of July 14, 2015 titled "Technical Report and Resource Estimate on the Fatou Gold Project, Mali", filed on SEDAR on September 9, 2015, estimated a modest resource from the Fatou Main area (see also Press Releases dated October 14, 2014 and September 9, 2015).

During the year ended February 28, 2017, due to the geopolitical consideration and the cost of exploration in remote areas of Mali, the Company decided to discontinue the exploration of the project and accordingly an impairment charge of $823,520 was recorded during the year ended February 28, 2017.

CRACKINGSTONE URANIUM PROPERTY
On January 12, 2017, the Company closed the acquisition of the Crackingstone Uranium Property in Saskatchewan, (the "Crackingstone Property") pursuant to the terms of a mineral purchase agreement with St. Jacques Mineral Corp. ("St. Jacques"). The Crackingstone Property consists of nine mineral dispositions totalling 3,336 hectares, located in the Northern Mining District, Saskatchewan.

Under the terms of the agreement, the Company paid $10,000 and issued 3,375,000 common shares (at 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"). In the event that the Company does not satisfy the Exploration Commitment, the Crackingstone Property would be returned to St. Jacques. St. Jacques would also hold a 1% NSR, which may be purchased by the Company at a cost of $1,000,000.

Management has 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.

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 totalling 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 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 paid a finder a fee of 84,000 common shares (at fair value of $58,800) in connection with the closing of the transaction.

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

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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 December 28, 2017, the Company entered into a definitive agreement with Nubian Resources Ltd. ("Nubian"), whereby the Company sold 100% interest in the Esquilache Project.

Under the terms of the definitive agreement, Nubian paid $600,000 on closing which consisted of: (i) $150,000 in cash ($50,000 received during the year ended February 28, 2018 and $100,000 received during the six months ended August 31, 2018); and (ii) 1,638,151 common shares of Nubian valued at $450,000.

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.

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.

Subsequent to the acquisition of Forrester, the option agreement was modified in order to facilitate the installation of infrastructure on the property with the purpose of producing gold and restructure the payment schedule, such that OMAY paid US$50,000 ($64,517) on November 29, 2017 and the remaining option payments are as follows:

1. US$ 45,000 - due by November 30, 2018
2. US$ 50,000 - due by March 19, 2019
3. US$100,000 - due by September 30, 2019
4. US$350,000 - due 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.

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.

AZULCOCHA WEST PROPERTY AND SETTLEMENT OF LAWSUIT

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 below. The Company has suspended exploration in this area, but has continued to maintain the concession's validity as the Company awaits a final solution to the arbitration.

In 2006, Forrester entered into a letter of intent with Empresa Minera Los Quenuales S.A, a company owned by Glencore plc of Switzerland ("LQ"), whereby 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 those requirements were met. In April 2010, Forrester and LQ signed a Letter of Intent ("LOI") that was never formalized in an agreement.

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 (ii) Forrester countersued LQ 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 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 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 and an annual interest of 3% from November 30, 2015 until the payment of the award.

On February 2, 2018, the Company entered into a settlement agreement whereby, the Company issued a promissory note to LQ in the amount of $3,536,538 and paid $100,000 against the principal of the note. The note bore interest at a rate of 17.75% per annum. The outstanding balance of the promissory note plus accrued interest was repaid in full during the six months ended August 31, 2018.

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 East property, to Trafigura Beheer B.V. ("Trafigura"), for an aggregate purchase price of US$5 million as a 10% Net Profit Interest ("NPI") on future production. 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 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. As such, US$2.2 million of the purchase price remains outstanding as at August 31, 2018.

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 $822,912 at August 31, 2018.

QUARTERLY INFORMATION

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended August 31, 2018. No cash dividends were declared in any of the reported periods.

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	THREE MONTHS ENDED			
	Aug 31, 2018 $	**May 31, 2018 $**	**Feb 28, 2018 $**	**Nov 30, 2017 $**
Total assets	30,914,901	29,935,130	29,260,452	29,737,471
Working capital (deficiency)	(1,325,267)	(463,056)	(2,444,672)	(1,028,629)
Net loss	(880,552)	(1,104,562)	(1,417,132)	(1,250,750)
Comprehensive loss	(1,031,168)	(1,048,600)	(1,159,098)	(1,324,164)
Net loss per share(1)(2)	(0.01)	(0.01)	(0.01)	(0.01)

	THREE MONTHS ENDED			
	Aug 31, 2017 $	**May 31, 2017 $**	**Feb 28, 2017 $**	**Nov 30, 2016 $**
Total assets	30,597,915	11,393,288	2,313,082	984,426
Working capital (deficiency)	2,009,366	10,858,229	1,689,081	128,016
Net loss	(1,760,247)	(778,134)	(2,674,956)	(131,601)
Comprehensive loss	(1,912,215)	(778,134)	(2,674,956)	(131,601)
Net loss per share(1)(2)	(0.02)	(0.01)	(0.05)	(0.00)

(1) Post 1.5:1 forward stock split.
(2) The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants if any.

The net and comprehensive losses during the quarters ended August 31, 2018 decreased compared to the other recent quarters, due to the decreases in interest expense and marketing expense. The net loss during the quarter ended February 28, 2017 increased compared to the prior quarters, due to the write-down of exploration and evaluation assets of $2,315,520. The net losses reflected for the other quarters are comparable.

The working capital during the quarter ended May 31, 2017 increased compared to the prior quarters, as a result of the net proceeds received from the private placement completed during the quarter.

The working capital during the quarter ended November 30, 2017, February 28, 2018, May 31, 2018 and August 31, 2018 decreased compared to the other quarters, as a result of the funds used in the corporate and exploration activities as a result of the acquisition of Forrester and assumption of Forrester’s current liabilities.

RESULTS OF OPERATIONS

Six months ended August 31, 2018

The Company recorded a net loss of $1,985,114 ($0.02 per share) for the six months ended August 31, 2018 as compared to a net loss of $2,538,381 ($0.03 per share) for the six months ended August 31, 2017.

Variances of note in the operational expenses are:

Consulting fees of $90,000 (2017 - $205,880) includes business advisory services. The consulting fees decreased during the six months ended August 31, 2018 compared with the 2017 comparable period, due to the effort to reduce corporate overhead costs.

General and administrative expense of $270,823 (2017 - $168,610) increased during the six months ended August 31, 2017 compared with the 2017 comparable period, due to increases in administrative expenses as a result of the acquisition of Forrester and its Peruvian entities. The general and administrative expense mostly consists of travel, rent and general corporate expenses.

Interest expense of $130,898 (2017 - $24,936) increased during the six months ended August 31, 2018 compared with the 2017 comparable period, due to interest accrued on the settlement of lawsuit liability assumed from the Forrester acquisition.

Management fees of $363,362 (2017 - $187,697) increased during the six months ended August 31, 2018 compared with the 2017 comparable period, due to a change in management and increased business activities.

Marketing fees of $275,283 (2017 - $1,057,561) decreased during the six months ended August 31, 2018 compared with the 2017 comparable period, due to the effort to reduce corporate overhead costs.

Professional fees of $141,398 (2017 - $71,805) which consists mainly of accounting, audit and legal fees, increased during the six months ended August 31, 2018 compared with the 2017 comparable period, due to an increased level of business activities in relation to the private placements and the settlement of the lawsuit liability assumed from the Forrester acquisition.

Share-based payments of $402,646 (2017 – $739,165) decreased as a result of vesting of previously granted options in the 2017 comparable period.

Three months ended August 31, 2018

The Company recorded a net loss of $880,552 ($0.01 per share) for the three months ended August 31, 2018 as compared to a net loss of $1,760,247 ($0.02 per share) for the three months ended August 31, 2017.

Variances of note in the operational expenses are:

Consulting fees of $70,000 (2017 - $130,580) includes business advisory services. The consulting fees decreased during the three months ended August 31, 2018 compared with the 2017 comparable period, due to the effort to reduce corporate overhead costs.

General and administrative expense of $146,949 (2017 - $99,600) increased during the three months ended August 31, 2018 compared with the 2017 comparable period, due to increases in administrative expenses as a result of the acquisition of Forrester and its Peruvian entities. The general and administrative expense mostly consists of travel, rent and general corporate expenses.

Management fees of $188,406 (2017 - $135,197) increased during the three months ended August 31, 2018 compared with the 2017 comparable period, due to increased business activities.

Marketing fees of $89,219 (2017 - $760,673) decreased during the three months ended August 31, 2018 compared with the 2017 comparable period, due to the effort to reduce corporate overhead costs.

Professional fees of $55,692 (2017 - $25,564) which consists mainly of accounting, audit and legal fees, increased during the three months ended August 31, 2018 compared with the 2017 comparable period, due to an increased level of business activities in relation to the private placements and the settlement of the lawsuit liability assumed from the Forrester acquisition.

<u>Share-based payments of $127,091 (2017 – $557,277)</u> decreased as a result of vesting of previously granted options in the 2017 comparable period.

FINANCING ACTIVITIES

On May 16, 2017, the Company closed a private placement financing by issuing a total of 16,666,667 units at a price of $0.60 per unit 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.

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. 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.

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.

On June 25, 2018, the Company closed the private placement financing by issuing a total of 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 $17,229 and issued finders a total of 71,789 Warrants at fair value of $11,729.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at August 31, 2018, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash.

As at August 31, 2018, the Company had cash on hand of $211,317 and a working capital deficit of $1,325,267. During the six months ended August 31, 2018, net cash used in operating activities was $200,196 and net cash provided by financing activities was $2,006,828 consisting of net proceeds from the private placement of $5,320,596, proceeds of $59,850 from the exercise of options, proceeds of $235,000 from loan payable, offset by payment towards settlement of lawsuit of $3,608,618. The net cash used by investing activities was $2,311,739, consisting of exploration and evaluation expenditure of $2,797,209, offset by proceeds of $485,470 from sale of marketable securities.

The Company's future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions.

CAPITAL EXPENDITURES

The Company incurred $2,797,209 in exploration and evaluation expenditure during the six months ended August 31, 2018 (2017 – $3,804,762).

The Company incurred $116,032 of deferred acquisition costs related to the acquisition of Forrester as part of investing activities during the six months ended August 31, 2017.

RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's directors, officers and companies associated with them, including Malaspina Consultants Inc., a company owned by Robert McMorran, a former director and in which Natasha Tsai, CFO, is an associate. The Company incurred charges to directors and officers, or to companies associated with these individuals during three and six months ended August 31, 2018 and 2017 as follows:

	Three months ended August 31,		**Six months ended August 31,**	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Accounting and corporate secretarial fees(1)	25,631	25,161	42,940	50,273
Management fees(2)	124,688	112,697	248,507	142,697
Share-based payment	66,233	379,645	216,974	494,660
	216,552	517,503	508,421	687,630

(1) The charges include accounting and corporate secretarial fees paid to Malaspina Consultants Inc.

(2) The charges include management fees paid to James Walchuck, President and CEO and management fees paid to Metallorum LLC, a company controlled by William Williams, COO.

Due to related parties at August 31, 2018 includes $61,889 due to Malaspina Consultants Inc. and $64,622 due to William Williams, Director and COO. Related party transactions are conducted in the normal course of business.

Key management of the Company includes the CEO and President, CFO, COO and the Directors. During the three and six months ended August 31, 2018, compensation paid to key management consisted of management fees of $124,688 and $248,507 (2017 – $112,697 and $142,697) paid to James Walchuck and Metallorum LLC, and accounting and corporate secretarial fees of $25,631 and $42,940 (2017 – $25,161 and 50,273) paid to Malaspina Consultants Inc..

COMMITMENT

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 $14,099 for the year ended February 28, 2019, and $10,575 for the year ended February 29, 2020.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. 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:

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 statement of financial position as at February 28, 2018:

	Exploration and evaluation assets $	Deficit $
Previously reported	22,805,919	31,0444,036
Exploration and evaluation expenditures	1,337,656	(1,337,656)
Restated	24,143,575	30,106,380

The change in accounting policy resulted in the following changes to the Company's statement of loss and comprehensive loss for the three months ended August 31, 2017:

	Net loss $	Loss per share $
Previously reported	2,008,445	0.02
Exploration and evaluation expenditures	(248,198)	-
Restated	1,760,247	0.02

The change in accounting policy resulted in the following changes to the Company's statement of loss and comprehensive loss for the six months ended August 31, 2017:

	Net loss $	Loss per share $
Previously reported	2,786,579	0.03
Exploration and evaluation expenditures	(248,198)	-
Restated	2,538,381	0.03

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 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 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.

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.

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 or after January 1, 2018. The adaption of this standard did not have a material 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.

NEW STANDARD 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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

CAPITALIZATION

a) **Authorized**
   Unlimited common shares without par value

b) **Issued and outstanding:**
   122,527,275 common shares

c) Outstanding options:

Type of security	Number	Exercise Price	Expiry date
Stock options	390,909	$ 0.44	August 10, 2019
Stock options	190,909	$ 0.66	March 25, 2020
Stock options	3,150,000	$ 0.133	October 20, 2021
Stock options	2,525,000	$ 0.65	May 16, 2022
Stock options	200,000	$ 0.55	October 4, 2022

d) Outstanding warrants:

Type of security	Number	Exercise Price	Expiry date
Warrants	8,333,334	$ 0.90	May 3, 2019
Warrants	11,542,812	$ 0.35	May 22, 2021
Warrants	694,939	$ 0.35	June 14, 2021
Warrants	2,642,958	$ 0.35	June 25, 2021

CONTINGENCY

During a prior period, 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 (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.

FUTURE OUTLOOK

The Company ended the period with cash on hand of $211,317 and a working capital deficit of $1,325,267. Through the acquisition of Forrester, the Company has acquired the Bongará Zinc-Oxide Mine and Charlotte Bongará Zinc-Oxide Project in Peru, subject to a 2% NSR. This is the first time that these two projects have been controlled by a single operator and thus offers a unique opportunity to delineate a substantial high-grade, zinc-oxide resource along a 6km-long trend. On December 13, 2017, the local ministry approved the permit of 124 drill platforms and the Company has commenced drill program and a surface-sampling program in the Bongará Zinc Mine area in 2018. The drilling is expected to be completed in early Q3 2018. The Company is expecting to release a NI 43-101 resource estimate in Q4 2018 and complete a PEA in Q2 2019.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the three and six months ended August 31, 2018 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company’s ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

There is no assurance that the exploration of the Company’s properties will be successful in its quest to find a commercially viable quantity of mineral resources. In addition, some of the Company's mineral interests are in countries that may be affected by varying degrees of political instability and the policies of other nations in respect of these countries. These risks and uncertainties include military repression, political and labour unrest, fluctuations in currency exchange rates, rates of inflation, terrorism, hostage taking and expropriation. The Company's exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. The Company cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets and operations. Any changes in regulations or shifts in political conditions are beyond the control of the Company. The Company's operations entail governmental, economic, social, medical and other risk factors common to all developing countries.

FURTHER INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.