410-1040 West Georgia Street
Vancouver, BC V6E 4H1

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED NOVEMBER 30, 2018

INTRODUCTION

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the three and nine months ended November 30, 2018 prepared as of January 28, 2019, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended November 30, 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 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'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.

On November 13, 2018, the Company announced that it has appointed Dr. Bill Williams, COO and a director of the Company, as the interim CEO effective November 13, 2018. The former CEO, James Walchuck, remains a consultant to the Company. Dr. Williams is an economic geologist with over 35 years of experience in mining and the oil & gas industries, including extensive experience in South America. Previously, he was the CEO, President and a Director of Orvana Minerals and a Vice President at Phelps Dodge Exploration.

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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. During the nine months ended November 30, 2018, the environmental bond was reduced to $1,621,305 (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.

410-1040 West Georgia Street
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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 at Mina Grande Sur 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, 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). At Mina Grande Norte, 5.0 metres of 43.9% zinc from exploration pit P185-17 and 5 metres of 29.5% zinc from exploration pit P009-17 were sampled. Mineralization is open at depth in both pits.

Drill Program

During 2018, The Company drilled 264 holes for 7,931 metres along a 1.4-km long trend. The purpose of the program was to better define the thickness and lateral extent of mineralization encountered by the 2017-2018 surface and pit sampling as well as the 2005 drilling. A resource estimate is expected to be announced in early Q1 2019.

Mina Chica discovery (53 drill holes for 2,327.9 metres) – The area is notable for its lack of vegetation where zinc mineralization outcrops. An area with low-lying vegetation overlies a 100 m by 100 m zone with extraordinary zinc grades over tens of metres in thickness. This occurs within an area of zinc mineralization covering 200 m in a NW-SE direction by 120 m in an NE-SW direction. The deposit is open to the west. The most significant intercepts included:

- MCH-18-013: 19.8 m @ 46.8% Zn from 1.9 m depth
- MCH-18-014: 49.5 m @ 38.7% Zn from 7.3 m depth
- MCH-18-035: 39.0 m @ 27.4% Zn from 23.8 m depth
- MCH-18-041: 21.0 m @ 27.5% Zn from 5.8 m depth

Mina Grande Sur delineation (95 drill holes for 2,328.4 metres) – This area includes outcropping mineralization as well as areas with low-lying vegetation that overlie high-grade, zinc-oxide mineralization under a few metres of overburden. The known mineralization covers an area as much as 350 metres in a N-S direction and as much as 200 metres in an E-W direction and is open to the south. Significant intercepts included:

- MGS-18-020: 20.5 m @ 34.3% Zn from surface
- MGS-18-055: 33.7 m @ 24.2% Zn from 15.6 m depth
- MGS-18-066: 16.5 m @ 26.5% Zn from surface
- MGS-18-077: 18.0 m @ 36.0% Zn from 21.0 m depth

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<u>Mina Grande Centro delineation</u> (64 drill holes for 2,237.3 metres) – This area was mined, in part, by the previous operator over ten years ago, so this program focused on the delineation of potential ore left behind. Known mineralization runs approximately 200 metres in a NW-SE direction and as much as 100 metres in an NE-SW direction and is open to the northeast. Significant intercepts included:

- MGC-18-012: 31.8 m @ 28.2% Zn from 18.0 m depth
- MGC-18-016: 10.5 m @ 39.3% Zn from surface
- MGC-18-051: 18.1 m @ 24.1% Zn from 7.5 m depth

<u>Mina Grande Norte delineation</u> (15 drill holes for 449.8 metres) – This area was also mined, in part, by the previous operator ten years ago, and drilling focused in an area on the eastern edge of the remediated area and known near-surface, high-grade, zinc-oxide mineralization encountered by Zinc One's sampling of existing exploration pits and historical drilling. This drilling defined the western edge of the deposit, which is approximately 200 metres in a NW-SE direction and approximately 125 metres in an NE-SW direction. The mineralization is open to the east. Significant intercepts included:

- MGN-18-004: 30.0 m @ 28.3% Zn from 4.5 m depth
- MGN-18-006: 37.0 m @ 31.6% Zn from 5.0 m depth
- MGN-18-010: 39,6 m @ 37.0% Zn from 3.7 m depth
- MGN-18-012: 14.4 m @ 40.5% Zn from 3.0 m depth

<u>Bongarita delineation (</u>36 drill holes for 587.2 metres) – All zinc-oxide mineralization in this area is hosted by soils. The drilling delineated this style of mineralization over an approximate area of 100 metres by 100 metres. Significant intercepts included:

- BO-18-005: 11.5 m @ 16.0% Zn from surface
- BO-18-007: 7.0 m @ 5.3% Zn from surface
- BO-18-029: 5.8 m @ 19.1% Zn from surface

Zinc One has applied to the Ministry of Energy and Mining for approval to drill 583 holes from 364 platforms along a 1.4-kilometre long ridge from Mina Chica to and beyond Mina Grande Sur. The platforms planned for delineation and infill drilling of the known deposits are laid out in a nominal 30-metre grid spacing and the exploration holes on a nominal 50-metre drill grid. A total of 20, 41, 27, and 43 platforms, each platform to be permitted for two drill holes each, will delineate and, in part, infill previous drilling at Mina Chica, Mina Grande Norte, Mina Grande Centro, and Mina Grande Sur, respectively. Exploration drilling will be prioritized in favorable settings within areas of low-lying vegetation. Approval for the proposed program is expected by early Q2 2019.

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 was 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.

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 nine months ended November 30, 2018); and (ii) 1,638,151 common shares of Nubian valued at $450,000 (received during the nine months ended November 30, 2018).

Further, the Company was to receive four non-refundable annual advanced NSR payments of $162,500. Subsequent to November 30, 2018, the Company entered into an amendment agreement with Nubian, and the four annual advanced NSR payments have been amended to provide for payments of $22,500 (paid on December 27, 2018), $78,613 on July 5, 2019, $37,121 on October 5, 2019, $56,373 on January 5, 2020, and twenty-three payments of $20,313 commencing April 5, 2020 and ending October 5, 2025 on the 5th day of April, July, October and January.

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, paid US$50,000 ($66,615) on November 30, 2018, and the remaining option payments are as follows:

1. US$ 50,000 - due by March 19, 2019
2. US$100,000 - due by September 30, 2019
3. 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. 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 nine months ended November 30, 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. 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 at November 30, 2018, US$2.2 million of the purchase price remained outstanding.

As at February 28, 2018, the Company had recorded a reserve for US$1,250,000 as its best estimate at that time of the amount that would 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. Subsequent to November 30, 2018, the Company entered into a settlement agreement with Trafigura, and the proceeds receivable was settled in full for the amount of $1,186,860 (US$892,309). As a result, the Company recorded a reversal of write-off of account receivable for $348,441 during the nine months ended November 30, 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 November 30, 2018. No cash dividends were declared in any of the reported periods.

	THREE MONTHS ENDED			
	Nov 30, 2018 $	**Aug 31, 2018 $**	**May 31, 2018 $**	**Feb 28, 2018 $**
Total assets	30,819,709	30,914,901	29,935,130	29,260,452
Working capital (deficiency)	(588,837)	(1,325,267)	(463,056)	(2,444,672)
Net income (loss)	211,749	(1,133,974)	(1,165,092)	(1,417,132)
Comprehensive loss	(130,332)	(1,031,168)	(1,048,600)	(1,159,098)
Net income (loss) per share(1)	0.01	(0.01)	(0.01)	(0.01)

	THREE MONTHS ENDED			
	Nov 30, 2017 $	**Aug 31, 2017 $**	**May 31, 2017 $**	**Feb 28, 2017 $**
Total assets	28,983,545	30,597,915	11,393,288	2,313,082
Working capital (deficiency)	(1,028,629)	2,009,366	10,858,229	1,689,081
Net loss	(1,250,750)	(1,760,247)	(778,134)	(2,674,956)
Comprehensive loss	(1,324,164)	(1,912,215)	(778,134)	(2,674,956)
Net loss per share(1)	(0.01)	(0.02)	(0.01)	(0.05)

(1) 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 quarter ended November 30, 2018 resulted in a net income as compared to net losses in the other recent quarters, due to a reversal of write-off of accounts receivable of $348,441 and a foreign exchange gain of $402,145.
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 November 30, 2018 increased compared to the prior quarters, as a result of the reclassification of the proceeds of disposition receivable from non-current to current. The proceeds of disposition receivable was settled in full subsequent to November 30, 2018.

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 decreased in the subsequent quarters, as a result of the funds used in the corporate and exploration activities resulting from the acquisition of Forrester and assumption of Forrester's current liabilities.

RESULTS OF OPERATIONS

Nine months ended November 30, 2018

The Company recorded a net loss of $2,087,317 ($0.02 per share) for the nine months ended November 30, 2018 as compared to a net loss of $3,703,736 ($0.04 per share) for the nine months ended November 30, 2017.

Variances of note in the operational expenses are:

<u>Consulting fees of $139,500 (2017 - $180,300)</u> includes business advisory services. The consulting fees decreased during the nine months ended November 30, 2018 compared with the 2017 comparable period, due to the effort to reduce corporate overhead costs.

<u>General and administrative expense of $421,141 (2017 - $352,669)</u> increased during the nine months ended November 30, 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.

<u>Interest expense of $144,419 (2017 - $49,500)</u> increased during the nine months ended November 30, 2018 compared with the 2017 comparable period, due to interest accrued on the settlement of lawsuit liability assumed from the Forrester acquisition.

<u>Management fees of $545,593 (2017 - $434,316)</u> increased during the nine months ended November 30, 2018 compared with the 2017 comparable period, due to a change in management and increased business activities.

<u>Marketing fees of $292,859 (2017 - $1,293,374)</u> decreased during the nine months ended November 30, 2018 compared with the 2017 comparable period, due to the effort to reduce corporate overhead costs.

<u>Professional fees of $197,218 (2017 - $71,356)</u> which consists mainly of accounting, audit and legal fees, increased during the nine months ended November 30, 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 $506,881 (2017 – $1,251,513)</u> decreased as a result of vesting of previously granted options in the 2017 comparable period.

<u>Reversal of write-off of accounts receivable of $348,441 (2017 – $nil)</u> increased, as the proceeds of disposition receivable were settled and collected subsequent to November 30, 2018.

Three months ended November 30, 2018

The Company recorded a net income of $211,749 ($0.00 per share) for the three months ended November 30, 2018 as compared to a net loss of $1,297,550 ($0.01 per share) for the three months ended November 30, 2017.

Variances of note in the operational expenses are:

<u>General and administrative expense of $150,318 (2017 - $156,510)</u> decreased during the three months ended November 30, 2018 compared with the 2017 comparable period. The general and administrative expense mostly consists of travel, rent and general corporate expenses.

<u>Interest expense of $13,521 (2017 - $24,654)</u> decreased during the three months ended November 30, 2018 compared with the 2017 comparable period, due to less interest being accrued in the current period, relating to the settlement of lawsuit liability assumed from the Forrester acquisition which was paid in full during the

three months ended August 31, 2018.

Management fees of $182,231 (2017 - $192,807) decreased during the three months ended November 30, 2018 compared with the 2017 comparable period, due to decreased business activities.

Marketing fees of $17,576 (2017 - $235,813) decreased during the three months ended November 30, 2018 compared with the 2017 comparable period, due to the effort to reduce corporate overhead costs.

Professional fees of $55,820 (2017 - $2,832) which consists mainly of accounting, audit and legal fees, increased during the three months ended November 30, 2018 compared with the 2017 comparable period, due to an increased level of business activities in relation to the settlement of the proceeds of disposition receivable assumed from the Forrester acquisition.

Share-based payments of $104,235 (2017 – $512,348) decreased as a result of vesting of previously granted options in the 2017 comparable period.

Reversal of write-off of accounts receivable of $348,441 (2017 – $nil) increased, as the proceeds of disposition receivable were settled and collected subsequent to November 30, 2018.

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 6,448,883 units ("Units") at a price of $0.24 per Unit for gross proceeds of $1,547,732. 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 November 30, 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 November 30, 2018, the Company had cash on hand of $5,595 and a working capital deficit of $588,837. During the nine months ended November 30, 2018, net cash used in operating activities was $427,531 and net cash provided by financing activities was $2,193,828 consisting of net proceeds from the private placement of $5,320,596, proceeds of $59,850 from the exercise of options, proceeds of $442,000 from loan payable, offset by payment towards settlement of lawsuit of $3,608,618. The net cash used by investing activities was $2,134,827, consisting of exploration and evaluation expenditure of $3,149,200, offset by proceeds of $485,470 from sale of marketable securities and reduction in reclamation bond of $528,903.

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 $3,149,200 in exploration and evaluation expenditure during the nine months ended November 30, 2018.

The Company incurred $110,635 of acquisition costs related to the acquisition of Forrester, purchased $433,305 of marketable securities, purchased equipment for $38,084 and incurred $2,104,702 in acquisition of exploration and evaluation assets during the nine months ended November 30, 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 that until July 31, 2018 was owned by Robert McMorran, a former director and in which Natasha Tsai, CFO, was an associate until July 31, 2018 and an owner thereafter. The Company incurred charges to directors and officers, or to companies associated with these individuals during three and nine months ended November 30, 2018 and 2017 as follows:

	Three months ended November 30,		Nine months ended November 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Accounting and corporate secretarial fees(1)	10,070	22,300	53,010	72,573
Management fees(2)	104,990	122,868	353,497	265,565
Share-based payment	55,434	236,005	272,407	730,665
	170,494	381,173	678,914	1,068,803

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

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

Due to related parties at November 30, 2018 includes $72,777 due to Malaspina Consultants Inc., $65,840 due to William Williams, Director and current interim CEO and $6,203 to Gunther Roehlig, Director. Related party transactions are conducted in the normal course of business.

Key management of the Company includes the current interim CEO, former President and CEO, CFO and the Directors. During the three and nine months ended November 30, 2018, compensation paid to key management consisted of management fees of $104,990 and $353,497 (2017 – $122,868 and $265,565) paid to James Walchuck and Metallorum LLC, and accounting and corporate secretarial fees of $10,070 and $53,010 (2017 – $22,300 and 72,573) 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 $7,183 for the year ended February 28, 2019, and $10,774 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:

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.

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.

CHANGE IN ACCOUNTING POLICY AND NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The change in accounting policy and transition to IFRS 9 resulted in the following changes to the Company's statement of financial position as at February 28, 2018:

	Exploration and evaluation assets $	**AOCI $**	**Deficit $**
Previously reported	22,805,919	(32,652)	31,0444,036
Exploration and evaluation expenditures	1,337,656	-	(1,337,656)
AOCI	-	112,695	-
Restated	24,143,575	80,043	30,106,380

The change in accounting policy and transition to IFRS 9 resulted in the following changes to the Company's statement of loss and comprehensive loss for the three months ended November 30, 2017:

	Net loss $	**Loss per share $**
Previously reported	1,614,738	0.02
Exploration and evaluation expenditures	(363,988)	-
Unrealized gain on marketable securities	46,800	-
Restated	1,297,550	0.01

The change in accounting policy and transition to IFRS 9 resulted in the following changes to the Company's statement of loss and comprehensive loss for the nine months ended November 30, 2017:

	Net loss $	**Loss per share $**
Previously reported	4,401,317	0.05
Exploration and evaluation expenditures	(612,186)	-
Unrealized gain on marketable securities	(85,395)	
Restated	3,703,736	0.04

Below is a summary of the change in accounting policy and recent accounting pronouncements:

(i) 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.

(ii) 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.

The Company adopted IFRS 9, Financial Instruments: Classification & Measurement on March 1, 2018. The adoption of the standard was applied retrospectively.

On transition to IFRS 9, the Company's financial assets were classified into the following categories:

- FVTPL – Cash and cash equivalents, convertible notes and investments
- FVOCI – None
- Amortized Cost – Accounts receivable

The only change in classification was to the Company's marketable securities which were previously classified as available for sale. Since the available for sale classification already required the marketable securities to be recorded on the statement of financial position at fair value, there was no adjustment to the carrying value of the marketable securities. The change in classification will result in past and future unrealized gains and losses on the marketable securities being recorded in profit and loss before tax instead of in other comprehensive income and loss net of tax. The accumulated unrealized gains and losses on the marketable securities will be included in deficit instead of accumulated other comprehensive income and loss.

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:
122,443,942 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	8,258,815	$ 0.35	May 22, 2021
Warrants	694,939	$ 0.35	June 14, 2021
Warrants	2,601,292	$ 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 $5,595 and a working capital deficit of $588,837. 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 Company is expecting to release a NI 43-101 resource estimate in Q4 2019 and complete a PEA in the 2020 fiscal year.

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 nine months ended November 30, 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.