GENERIC GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Generic Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Generic Gold Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at September 30, 2018	As at December 31, 2017
ASSETS		
Current assets		
Cash	**$ 447,150**	$ 694,418
Amounts receivable and other assets (note 5)	**43,785**	92,923
Total assets	**$ 490,935**	$ 787,341
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Amounts payable and other liabilities (note 6)	**$ 283,432**	$ 98,359
Shareholders' equity		
Share capital (note 7)	**7,441,812**	6,623,456
Reserves (notes 8 and 9)	**1,493,316**	856,827
Deficit	**(8,727,625)**	(6,791,301)
Total shareholders' equity	**207,503**	688,982
Total liabilities and shareholders' equity	**$ 490,935**	$ 787,341

Nature of operations and going concern (note 1)
Contingencies (note 15)
Subsequent events (note 16)

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

Generic Gold Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	From Incorporation (May 30, 2017) to September 30, 2017
Operating expenses				
Exploration and evaluation expenditures (notes 4 and 11)	**$ 375,471**	$ 849,743	**$ 377,758**	$ 849,743
General and administrative (notes 12 and 13)	**125,850**	100,234	**840,762**	106,486
Reverse takeover transaction costs (note 3)	**-**	-	**717,804**	-
Net loss before income taxes	**(501,321)**	(949,977)	**(1,936,324)**	(956,229)
Income tax recovery	**-**	-	**-**	24,000
Net loss and comprehensive loss for the period	**$ (501,321)**	$ (949,977)	**$ (1,936,324)**	$ (932,229)
Loss per share - basic and diluted (note 10)	**$ (0.01)**	$ (0.03)	**$ (0.05)**	$ (0.03)
Weighted average number of common shares outstanding - basic and diluted (note 10)	**37,171,214**	30,474,861	**36,071,650**	28,930,965

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

Generic Gold Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended September 30, 2018	From Incorporation (May 30, 2017) to September 30, 2017
Operating activities		
Net loss for the period	**$ (1,936,324)**	$ (932,229)
Adjustments for:		
Income tax recovery	**-**	(24,000)
Share-based payments	**477,300**	-
Reverse takeover transaction costs	**717,804**	-
Non-cash working capital items:		
Amounts receivable and other assets	**49,138**	(101,713)
Amounts payable and other liabilities	**84,844**	185,388
Net cash used in operating activities	**(607,238)**	(872,554)
Investing activity		
Cash acquired from Amalgamation	**5,841**	-
Net cash provided by investing activity	**5,841**	-
Financing activities		
Issue of common shares (note 7(b)(i)(ii))	**358,515**	2,358,639
Share issuance costs	**(4,386)**	(51,356)
Net cash provided by financing activities	**354,129**	2,307,283
Net change in cash	**(247,268)**	1,434,729
Cash, beginning of period	**694,418**	-
Cash, end of period	**$ 447,150**	$ 1,434,729
Supplemental information		
Common shares issued as commission	**$ 34,860**	$ 172,451
Broker warrants issued	**$ 11,760**	$ 85,407

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

Generic Gold Corp.
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital		Reserves			
	Number	Amount	Warrant reserve	Share-based payments reserve	Deficit	Total
Balance, May 30, 2017	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares to parent company for mineral property (note 4)	25,000,000	5,197,000	-	-	(5,197,000)	-
Issuance of units (note 7(b)(i))	7,542,131	1,566,435	696,204	-	-	2,262,639
Issuance of units - flow-through (note 7(b)(i))	240,000	73,846	22,154	-	-	96,000
Flow-through premium	-	(24,000)	-	-	-	(24,000)
Issuance of units as commission (note 7(b)(i))	574,837	119,389	53,062	-	-	172,451
Cost of issue - commission (note 7(b)(i))	-	(172,451)	-	-	-	(172,451)
Cost of issue - warrants (note 7(b)(i))	-	(85,407)	85,407	-	-	-
Cost of issue - cash	-	(51,356)	-	-	-	(51,356)
Net loss for the period	-	-	-	-	(932,229)	(932,229)
Balance, September 30, 2017	**33,356,968**	**$ 6,623,456**	**$ 856,827**	**$ -**	**$ (6,129,229)**	**$ 1,351,054**
Balance, December 31, 2017	**33,356,968**	**$ 6,623,456**	**$ 856,827**	**$ -**	**$ (6,791,301)**	**$ 688,982**
Issuance of common shares pursuant to Amalgamation (note 3)	3,001,520	623,416	-	-	-	623,416
Issuance of units - flow-through (note 7(b)(ii))	1,050,000	194,250	120,750	-	-	315,000
Issuance of units (note 7(b)(ii))	193,400	26,496	17,019	-	-	43,515
Issuance of units as commission (note 7(b)(ii))	84,000	25,200	9,660	-	-	34,860
Cost of issue - commission (note 7(b)(ii))	-	(34,860)	-	-	-	(34,860)
Cost of issue - warrants (note 7(b)(ii))	-	(11,760)	11,760	-	-	-
Cost of issue - cash	-	(4,386)	-	-	-	(4,386)
Share-based payments (note 9)	-	-	-	477,300	-	477,300
Net loss for the period	-	-	-	-	(1,936,324)	(1,936,324)
Balance, September 30, 2018	**37,685,888**	**$ 7,441,812**	**$ 1,016,016**	**$ 477,300**	**$ (8,727,625)**	**$ 207,503**

The accompanying notes are an integral part of these unaudited condensed interim consolidatedfinancial statements.

1. Nature of operations and going concern

Generic Gold Corp. (the "Company" or "Generic Gold") was incorporated under the laws of the Province of Ontario on May 30, 2017 as Generic Gold Corporation ("Original Generic"). The Company's principal business activity is mineral exploration focused on high-grade gold opportunities in Yukon, Canada.

On February 20, 2018, Original Generic completed a transaction (the "Amalgamation") with Wamco Technology Group Ltd. ("Wamco"). The Amalgamation consisted of the acquisition by Wamco of all of the issued and outstanding securities in the capital of Original Generic by way of a three-cornered amalgamation, pursuant to which 2604935 Ontario Inc., a wholly-owned subsidiary of Wamco, amalgamated with Original Generic to form the Resulting Issuer, 1989670 Ontario Limited, a wholly-owned subsidiary of Wamco (note 3). On February 22, 2018, Wamco filed Articles of Amendment to change its name to “Generic Gold Corp.”.

On February 28, 2018, Generic Gold received final approval to list its common shares on the Canadian Securities Exchange ("CSE"). Generic Gold began trading on the CSE on March 1, 2018 under the symbol "GGC". The head office of the Company is located at 141 Adelaide Street West, Suite 1660, Toronto, Ontario, M5H 3L5.

Nevada Zinc Corporation is the parent company of Generic Gold and owns approximately 66% of the Company's outstanding share capital as at September 30, 2018.

These unaudited condensed interim consolidated financial statements of the Company were reviewed, approved and authorized for issue by the Board of Directors on November 28, 2018.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at an exploration stage and as is common with many exploration companies, it raises financing to support its exploration and acquisition activities. The Company has incurred a current net loss of $1,936,324 for the nine months ended September 30, 2018 and has an accumulated deficit of $8,727,625 as at September 30, 2018. In addition, the Company had working capital of $207,503 as at September 30, 2018.

However, existing funds may not be sufficient to explore potential exploration project acquisitions and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

Due to limited working capital, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects, if they are proven successful, and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 28, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2017, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

Changes in accounting policies

(i) Share-based payment transactions

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share-based payments to employees is measured at the grant date and recognized over the period during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. For those options that expire after vesting, the recorded value is transferred to deficit.

Expired warrants are also transferred to deficit.

(ii) IFRS 9, Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance had no impact on the Company's unaudited condensed interim consolidated financial statements.

2. Significant accounting policies (continued)

Changes in accounting policies (continued)

(ii) IFRS 9, Financial Instruments (continued)

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash	Loans and receivables (amortized cost)	Amortized cost
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's December 31, 2017 consolidated financial statements has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

- Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's cash and receivables are classified as financial assets and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

2. Significant accounting policies (continued)

Changes in accounting policies (continued)

(ii) IFRS 9, Financial Instruments (continued)

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment Model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Recent accounting pronouncements

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Amalgamation

On February 20, 2018, the Company completed an Amalgamation with Wamco. The Amalgamation consisted of the acquisition by Wamco of all of the issued and outstanding securities in the capital of Original Generic by way of a three-cornered amalgamation, pursuant to which 2604935 Ontario Inc., a wholly-owned subsidiary of Wamco, amalgamated with Original Generic to form the Resulting Issuer. The name of the Resulting Issuer is 1989670 Ontario Limited, a wholly-owned subsidiary of Wamco. As part of the Amalgamation, Wamco changed its name to "Generic Gold Corp.".

Pursuant to the Amalgamation, Original Generic shares and warrants were exchanged on a one-for-one basis for the issuance of Generic Gold shares and warrants.

As a result of the Amalgamation, the shareholders of Original Generic owned 91.7% of the outstanding shares of the amalgamated entity. The substance of the transaction is a reverse acquisition of a non-operating company. The transaction does not constitute a business combination, as Wamco does not meet the definition of a business under IFRS 3, Business Combinations. As a result, the transaction is accounted for as a capital transaction with Original Generic being identified as the acquirer and the equity consideration accounted for in accordance with IFRS 2, Share-based Payment, measured at fair value.

The fair value of the consideration is as follows:

Fair value of 3,001,520 Generic Gold common shares	$	623,416

The consideration has been allocated as follows:

Cash	$	5,841
Accounts payable and accrued liabilities		(100,229)
Reverse takeover transaction cost		717,804
	$	623,416

The value of the Generic Gold common shares was based on the share price of the June 27, July 20 and September 22, 2017 private placements of $0.2077.

As Generic Gold has issued shares with a value in excess of the assets received, IFRS 2 would indicate that the difference is recognized in operations as a reverse takeover transaction cost. The amount of $717,804 recognized as a reverse takeover transaction cost is the difference between the fair value of the consideration paid and the net identifiable liabilities of Wamco assumed by Generic Gold, and is charged to operating expenses.

4. Mineral properties

On May 30, 2017, the Company received a 100% interest in a number of mineral claims located in the Yukon Territory from Nevada Zinc Corporation ("Nevada Zinc"). As consideration the Company issued 25,000,000 common shares to Nevada Zinc at an estimated fair value of $0.21 per share for aggregate share consideration of $5,197,000. As this is considered a transaction with the sole shareholder of the Company, this value was recorded in equity.

The Company's property interests include the VIP Property (located in the Whitehorse Mining District), and other properties located in various regions of the Yukon Territory, Canada. The Company is continuing the evaluation of the precious metals potential of properties such as VIP, Livingstone and Goodman.

(Expressed in Canadian Dollars, unless otherwise indicated)

4. Mineral properties (continued)

On May 1, 2013, Nevada Zinc entered into an amended option agreement ("Option Agreement") with Goldstrike Resources Ltd. ("Goldstrike") for the Summit Property which is located in the Yukon Territory. Under the amended agreement, Goldstrike has the option to earn a 100% interest in the Summit Property by meeting the following payments: (i) issue 200,000 shares by May 31, 2013 (issued); (ii) issue 300,000 shares and pay $125,000 or issue shares in the equivalent amount, by October 31, 2015; (iii) issue 500,000 shares by October 31, 2016; and (iv) issue 600,000 shares and pay $250,000 or issue shares in the equivalent amount, and incur $1,000,000 in exploration expenditures by October 31, 2017. The Company would retain a 3.0% net smelter return ("NSR") and back-in option in which the Company could reacquire 30% of the property by paying Goldstrike $2,500,000.

On April 30, 2016, Nevada Zinc agreed to extend all payment obligations by one year under the Option Agreement with Goldstrike for nil consideration.

On October 31, 2016, Nevada Zinc agreed to extend all payment obligations by an additional year under the Option Agreement with Goldstrike for nil consideration. Nevada Zinc reserved the right to shorten the extension period at any time by providing 30 day notice to Goldstrike.

Under the extended Option Agreement, Goldstrike has the option to earn a 100% interest in the Summit Property by meeting the following payments: (i) issue 200,000 shares by May 31, 2013 (issued); (ii) issue 300,000 shares and pay $125,000 or issue shares in the equivalent amount, by October 31, 2017; (iii) issue 500,000 shares by October 31, 2018; and (iv) issue 600,000 shares and pay $250,000 or issue shares in the equivalent amount, and incur $1,000,000 in exploration expenditures by October 31, 2019. The Company would retain a 3.0% NSR and back-in option in which the Company could reacquire 30% of the property by paying Goldstrike $2,500,000.

On April 10, 2018, Goldstrike abandoned and surrendered the Option Agreement in respect of all mineral claims of the Summit Property and the claims reverted to the Company.

5. Amounts receivable and other assets

	As at September 30, 2018	As at December 31, 2017
Sales tax receivable - (Canada)	$ 39,465	$ 88,160
Prepaid expenses	4,320	4,763
	$ 43,785	$ 92,923

6. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and acquisition costs and general operating activities.

	As at September 30, 2018	As at December 31, 2017
Trade payables	$ 259,295	$ 78,359
Accrued liabilities	24,137	20,000
	$ 283,432	$ 98,359

7. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

(i) On June 27, July 20 and September 22, 2017, the Company completed the first, second and third tranches, respectively, of a private placement financing of 7,542,131 units ("Units") at a price of $0.30 per Unit and 240,000 flow-through units ("Flow-through Units") at price of $0.40 per Flow-through Unit for a gross proceeds of $2,358,639. Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"). Each Flow-through Unit consists of one flow-through common share ("FT Share") of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.50 per common share for a period of 36 months following the closing date. Upon 30 days' written notice to the holders of the Warrants, the Company may accelerate the expiration date of the Warrants if after the common shares have been listed on a recognized Canadian stock exchange, the closing price of the common shares exceeds $1.00 for twenty (20) consecutive trading days.

In connection with the private placement, a finder's fee was paid to certain eligible finders in an amount equal to 8% of proceeds raised. The finder's fee was comprised of a cash payment of $15,520 and issuance of 574,837 Commission Units of the Company, at a fair value of $0.30 per Commission Unit. Each Commission Unit consists of one common share of the Company and one Warrant.

The fair value of the 8,356,968 Warrants was estimated at $771,420 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 1.04%; expected volatility - 100% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 36 months.

In addition, an aggregate of 620,171 broker warrants were issued representing an amount equal to 8% of the number of common shares placed by eligible finders pursuant to the private placement. Each broker warrant entitles the holder to acquire one Unit of the Company at an exercise price of $0.30 per Unit commencing on the date of listing of the common shares of the Company on a recognized Canadian stock exchange and ending 24 months after the date of listing. The fair value of the 620,171 broker warrants was estimated at $85,407 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 0.96%; expected volatility - 85% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 24 months.

(ii) On July 23 and September 21, 2018, the Company completed the first and second tranches of a private placement financing of 1,050,000 flow-through units ("Flow-through Units") at a price of $0.30 per Flow-through Unit and 193,400 units ("Units") at price of $0.225 per Unit for a gross proceeds of $358,515. Each Flow-through Unit consists of one flow-through common share ("FT Share") of the Company and one common share purchase warrant ("Warrant"). Each Unit consists of one common share of the Company and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at a price of $0.50 per common share for a period of 36 months following the closing date.

In connection with the private placement, a finder's fee was paid to certain eligible finders in an amount equal to 8% of proceeds raised. The finder's fee was comprised of the issuance of 84,000 Commission Units of the Company, at a fair value of $0.30 per Commission Unit. Each Commission Unit consists of one common share of the Company and one Warrant.

(Expressed in Canadian Dollars, unless otherwise indicated)

7. Share capital (continued)

The fair value of the 1,327,400 Warrants was estimated at $147,429 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - ranging from 2.03% to 2.21%; expected volatility - 100% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 36 months.

In addition, an aggregate of 84,000 broker warrants were issued representing an amount equal to 8% of the number of common shares placed by eligible finders pursuant to the private placement. Each broker warrant entitles the holder to acquire one Unit of the Company at an exercise price of $0.30 per Unit for a period of 36 months from the date of issuance. The fair value of the 84,000 broker warrants was estimated at $11,760 using the Black-Scholes option pricing model. The following weighted average assumptions were used: risk-free interest rate - 2.03%; expected volatility - 100% which is based on the historical volatility of a comparable company, Nevada Zinc; expected dividend yield - nil; and expected life - 36 months.

8. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price ($)
Balance, May 30, 2017	**-**	**-**
Issued (note 7(b)(i))	8,977,139	0.49
Balance, September 30, 2017	**8,977,139**	**0.49**
Balance, December 31, 2017	**8,977,139**	**0.49**
Issued (note 7(b)(ii))	1,411,400	0.30
Balance, September 30, 2018	**10,388,539**	**0.49**

The following table reflects the warrants issued and outstanding as of September 30, 2018:

Issue date	Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
June 27, 2017	176,400	24,167	0.30	March 1, 2020[(1)]
July 20, 2017	155,507	21,460	0.30	March 1, 2020 [(1)]
September 22, 2017	288,264	39,780	0.30	March 1, 2020 [(1)]
June 27, 2017	3,096,300	285,815	0.50	June 27, 2020
July 20, 2017	2,817,473	260,077	0.50	July 20, 2020
September 22, 2017	2,443,195	225,528	0.50	September 22, 2020
July 23, 2018	1,134,000	130,410	0.50	July 23, 2021
July 23, 2018	84,000	11,760	0.30	July 23, 2021
September 18, 2018	193,400	11,024	0.50	September 21, 2021
	10,388,539	**1,010,021**	**0.49**	

[(1)] Each broker warrant entitles the holder to acquire one Unit of the Company at an exercise price of $0.30 per Unit commencing March 1, 2018, the date of listing of the common shares of the Company on a recognized Canadian stock exchange, and ending 24 months after the date of listing.

(Expressed in Canadian Dollars, unless otherwise indicated)

9. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, September 30, 2017 and December 31, 2017	-	$ -
Granted (i)	3,225,000	0.30
Balance, September 30, 2018	**3,225,000**	**$ 0.30**

(i) On February 20, 2018, the Company granted a total of 3,225,000 stock options to certain directors, officers and consultants of the Company. The stock options are exercisable at a price of $0.30 per share, expire on February 20, 2023 and vested immediately. The fair value of the stock options was estimated to be $477,300 using the Black-Scholes option pricing model on the following assumptions: exercise price of $0.30, risk free interest rate of 2.12%, an expected life of 5 years and an expected volatility of 100%. During the three and nine months ended September 30, 2018, share based compensation of $nil and $477,300, respectively, were recorded in the consolidated statements of loss and comprehensive loss.

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2018:

Options outstanding and exercisable	Grant date fair value ($)	Exercise price ($)	Weighted average remaining contractual life (years)	Expiry date
3,225,000	477,300	0.30	4.39	February 20, 2023

10. Net loss per common share

The calculation of basic loss per share for the three and nine months ended September 30, 2018 was based on the loss attributable to common shareholders of $501,321 and $1,936,324, respectively, and the weighted average number of common shares outstanding of 37,171,214 and 36,071,650 for the three and nine months ended September 30, 2018. Diluted loss per share for the three and nine months ended September 30, 2018 did not include the effect of 10,388,539 and 3,225,000 warrants and options, respectively as they are anti-dilutive.

(Expressed in Canadian Dollars, unless otherwise indicated)

11. Exploration and evaluation expenditures

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	From Incorporation (May 30, 2017) to September 30, 2017
Yukon, Canada				
Drilling	**$ 337,167**	$ 212,896	**$ 337,167**	$ 212,896
Geological consulting	**19,176**	37,738	**43,893**	37,738
Camp construction	**-**	469,637	**2,178**	469,637
Transportation	**6,448**	25,526	**6,448**	25,526
Claim staking	**11,717**	-	**11,717**	-
Equipment and equipment rental	**-**	85,301	**-**	85,301
Geophysics	**-**	-	**10,000**	-
Exploration (recovery)	**-**	-	**(40,000)**	-
Accommodation	**-**	6,841	**-**	6,841
Field costs	**-**	9,981	**-**	9,981
Laboratory and analysis	**963**	1,823	**3,231**	1,823
Miscellaneous	**-**	-	**3,124**	-
Exploration and evaluation expenditures	**$ 375,471**	$ 849,743	**$ 377,758**	$ 849,743

12. General and administrative expenses

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	From Incorporation (May 30, 2017) to September 30, 2017
Salaries and benefits	**$ 49,213**	$ 51,385	**$ 151,540**	$ 51,385
Professional fees	**29,173**	15,939	**70,633**	21,247
Office and administrative expenses	**9,329**	9,143	**33,534**	9,210
Accounting fees	**6,842**	21,433	**20,055**	21,433
Transfer agent fees	**7,060**	2,334	**34,456**	3,211
Share-based payments	**-**	-	**477,300**	-
Investor relations	**24,233**	-	**53,244**	-
	$ 125,850	$ 100,234	**$ 840,762**	$ 106,486

(Expressed in Canadian Dollars, unless otherwise indicated)

13. Related party transactions and major shareholders

Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	From Incorporation (May 30, 2017) to September 30, 2017
Salaries [1]	**$ 48,000**	$ 48,000	**$ 144,000**	$ 48,000
Share-based payments	**-**	-	**451,400**	-
	$ 48,000	$ 48,000	**$ 595,400**	$ 48,000

[1] Salaries paid for the services of the Chief Executive Officer and Chief Financial Officer included in general and administrative expenses on the statement of loss and comprehensive loss.

Major shareholders

To the knowledge of the directors and senior officers of the Company as at September 30, 2018, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Nevada Zinc Corporation	25,000,000	66.34 %

14. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the statement of loss and comprehensive loss for the period also represent segmented amounts. All of the Company's operations, assets and liabilities are in Canada.

15. Contingencies

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

16. Subsequent events

On October 17, 2018, the Company announced it has entered into a debt settlement agreement with an arm's length creditor pursuant to which the Company has agreed to settle an aggregate of $60,187 of indebtedness through the issuance of an aggregate of 267,500 common shares of the Company at a price of $0.225 per common share. The common shares issued pursuant to the debt settlement will be subject to a four month and one day hold period pursuant to applicable securities laws.

In addition, the Company also announced the grant of an aggregate of 540,000 options to purchase common shares of the Company exercisable at a price of $0.25 per share for a period of three (3) years from the date of issuance, to certain officers, directors, and consultants of the Company, in accordance with the terms of the Company's stock option plan. The options vest immediately upon issue. The common shares issuable upon exercise of the options are subject to a four-month hold period from the original date of grant.