
SLAVE LAKE ZINC CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

(Expressed in Canadian Dollars)

**SLAVE LAKE ZINC CORP.
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FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017
(Expressed in Canadian Dollars)**

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Slave Lake Zinc Corp.,

We have audited the accompanying financial statements of Slave Lake Zinc Corp., which comprise the statement of financial position as at September 30, 2018, and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Slave Lake Zinc Corp. as at September 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Slave Lake Zinc Corp.'s ability to continue as a going concern.

Other Matter

The financial statements for the year ended September 30, 2017, were audited by another auditor whose report dated December 1, 2017 expressed an unqualified opinion.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 21, 2019

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

SLAVE LAKE ZINC CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018 AND 2017

	September 30, 2018	September 30, 2017
	\$	\$
ASSETS		
CURRENT		
Cash	545,305	423,498
Other receivable	-	3,257
Total current assets	545,305	426,755
Exploration and evaluation assets (Note 5)	175,313	113,377
TOTAL ASSETS	720,618	540,132
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	36,945	32,260
Due to related parties (Note 7)	11,711	299,561
TOTAL LIABILITIES	48,656	331,821
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	600,500	590,500
Special warrants (Note 9)	566,800	-
Subscriptions receivable	-	(38,000)
Deficit	(495,338)	(344,189)
TOTAL SHAREHOLDERS' EQUITY	671,962	208,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	720,618	540,132

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
GOING CONCERN UNCERTAINTY (Note 2)
SUBSEQUENT EVENTS (Note 14)

Approved on behalf of the Board:

"Richie John Wigham"
Ritchie John Wigham, CEO

"Peter Cummings"
Peter Cummings, CFO

The accompanying notes are an integral part of these financial statements.

SLAVE LAKE ZINC CORP.**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	2018	2017
	\$	\$
EXPENSES		
Management fees (Note 7)	82,000	288,000
Accounting and auditing fees	21,345	12,100
Legal fees	29,154	25,668
Filing fees	10,833	25
Office	3,248	6,484
Travel	2,458	-
Meals and entertainment	1,516	-
Consulting	595	11,905
NET LOSS FOR THE YEAR	(151,149)	(344,182)
LOSS PER SHARE (Note 10)	(0.01)	(0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	26,689,041	12,925,753

The accompanying notes are an integral part of these financial statements.

SLAVE LAKE ZINC CORP.**STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(151,149)	(344,182)
Changes in non-cash working capital items:		
Other receivable	3,257	(1,639)
Due to related parties	(287,850)	288,130
Accounts payable and accrued liabilities	4,685	32,260
Net cash used in operating activities	(431,057)	(25,431)
INVESTING ACTIVITY		
Exploration and evaluation assets	(61,936)	(61,702)
Net cash used in investing activity	(61,936)	(61,702)
FINANCING ACTIVITIES		
Proceeds from issuance of shares, net of issuance cost	10,000	452,500
Proceeds from special warrants, net of finders' fees	566,800	-
Proceeds from subscriptions receivable	38,000	-
Net cash provided by financing activities	614,800	452,500
Net Change in Cash	121,807	365,367
Cash, Beginning of Year	423,498	58,131
Cash, End of Year	545,305	423,498

The accompanying notes are an integral part of these financial statements.

SLAVE LAKE ZINC CORP.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	Share Capital		Subscriptions Receivable	Shares to be issued	Special Warrants	Deficit	Total
	Number of Shares	Amount					
	#	\$	\$	\$	\$	\$	\$
Balance, September 30, 2016	7,600,000	38,000	(38,000)	100,000	-	(7)	99,993
Shares issued for cash – private placement (Note 8)	18,900,000	570,000	-	(100,000)	-	-	470,000
Share issuance costs – cash (Note 8)	-	(17,500)	-	-	-	-	(17,500)
Net loss for the year	-	-	-	-	-	(344,182)	(344,182)
Balance, September 30, 2017	26,500,000	590,500	(38,000)	-	-	(344,189)	208,311
Shares issued for cash – private placement (Note 8)	200,000	10,000	38,000	-	-	-	48,000
Special Warrants, net of finders fees (Note 9)	-	-	-	-	566,800	-	566,800
Net loss for the year	-	-	-	-	-	(151,149)	(151,149)
Balance, September 30, 2018	26,700,000	600,500	-	-	566,800	(495,338)	671,962

The accompanying notes are an integral part of these financial statements.

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Slave Lake Zinc Corp. (the "Company") was incorporated on September 14, 2016 under the Business Corporation Act (British Columbia). The head office, principal address, records office, and registered address of the Company is located at 8978 Lindsay PL, Surrey, British Columbia, V3V 6E3.

The Company's principal business activities include the acquisition and exploration of mineral property assets located in the North West Territories, Canada.

On November 7, 2018, the Company completed its Initial Public Offering ("IPO") and the Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the trading symbol "SLZ".

2. GOING CONCERN UNCERTAINTY

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations for the next twelve months.

Several adverse conditions cast significant doubt on the validity of this assumption. As at September 30, 2018, the Company has an accumulated deficit of \$495,338 has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and will require and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and proceeds from share private placements.

3. BASIS OF PRESENTATION**Approval of the financial statements**

The financial statements of the Company for the year ended September 30, 2018 were reviewed by the Board of Directors and approved and authorized for issue on January 21, 2019 by the Board of Directors of the Company.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective for the reporting period ended September 30, 2018.

Basis of measurement

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and evaluation assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation ("E&E") assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

ii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

SLAVE LAKE ZINC CORP.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 and 2017

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

a) Exploration and evaluation assets (*continued*)

ii. Impairment (*continued*)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

b) Restoration, rehabilitation, and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at September 30, 2018.

c) Cash and cash equivalent

Cash and cash equivalent include bank demand deposit accounts and highly liquid short-term investments with maturities of three months or less when purchased. Cash consists of checking accounts held at financial institutions in Canada and funds held in trust which, at times, balances may exceed insured limits. The Company has not experienced any losses related to these balances, and management believes the credit risk to be minimal.

d) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enactive or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

d) Income taxes (*continued*)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

e) Share capital

Common shares and special warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, share purchase options, and special warrants are recognized as a deduction from equity, net of any tax effects. For equity offerings of units consisting of common shares and warrants, when both instruments are classified as equity, the Company does not bifurcate the proceeds between the common share and the other equity instruments.

f) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

g) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the company classifies its financial instruments in the following categories:

- Financial assets at fair value through profit or loss:

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially at cost, and subsequently at fair value. Transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in fair value are presented in the statement of loss in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current, except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term. Interest rate swaps and warrants are classified as current.

SLAVE LAKE ZINC CORP.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 and 2017

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

g) Financial instruments (*continued*)

- Financial assets at fair value through profit or loss: (*continued*)

As at September 30, 2018 and 2017, the Company had no financial instruments under this classification.

- Available-for-sale investments:

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale investments are recognized initially at fair value plus transaction costs, and are subsequently carried at fair value. Gains or losses arising from re-measurement are recognized in the other comprehensive income, except for exchange gains and losses on the translation of equity securities, which are recognized in the statement of loss. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from the accumulated other comprehensive income to the statements operations, and are included in "gains (losses) on sale of debt and equity security (net)". Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months.

Interest on available-for-sale debt instruments, calculated using the effective interest method, is recognized in the statement of operations as part of the interest income. Dividends on available-for-sale equity instruments are recognized in the statement of loss as dividend income, when the Company's right to receive payment is established.

As at September 30, 2018 and 2017, the Company had no financial instruments under this classification.

- Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise cash and cash equivalent. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

- Financial liabilities at amortized cost:

Financial liabilities at amortized include accounts payable and accrued expenses and due to related parties. Accounts payable are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. Due to related parties are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

g) Financial instruments (*continued*)

- Financial liabilities at fair value through profit and loss:

Financial liabilities are classified at fair value through profit and loss when they comprise derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statement of loss and comprehensive loss. As at September 30, 2018 and 2017, the Company had no financial instruments under this classification.

- Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

h) New and revised accounting standards issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early-adopted by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued, but are not expected to have an impact on the Company's financial statements.

IFRS 9 Financial Instruments

Issued by the IASB July 2014, effective for a company's annual periods beginning on or after January 1, 2018.

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9. However, for annual periods beginning before January 1, 2018, an entity may elect to apply those earlier versions instead of applying the final version of this new standard if its initial application date is before February 1, 2015.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- Classification and measurement of financial assets:

Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

h) New and revised accounting standards issued but not yet effective (*continued*)

IFRS 9 Financial Instruments (continued)

- Classification and measurement of financial liabilities:
When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- Impairment of financial assets:

An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- Hedge accounting:

Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

Management has determined that IFRS 9 does not have an impact on the Company's financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 - Leases which replaces IAS 17 - Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. Management has determined that IFRS 16 does not have a significant impact on the Company's financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

h) New and revised accounting standards issued but not yet effective (*continued*)

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") In May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has not yet commenced revenue-producing operations.

IFRIC Interpretation 22

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22") On December 8, 2016, the IASB issued IFRIC 22, which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The Standard provides guidance on how to determine the date of the transaction for the purpose of determining the spot exchange rate used to translate the asset, expense or income on initial recognition that relates to, and is recognized on the de-recognition of, a non-monetary prepayment asset or a non-monetary deferred income liability. It is effective for periods beginning on or after January 1, 2018. The Company is currently assessing the impact on the adoption of this interpretation.

i) Critical accounting estimates and judgements

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 income 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:

Judgements

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 2.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

i) Critical accounting estimates and judgements (*continued*)

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which 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 the profit or loss in the period the new information becomes available.

Recognition of deferred income tax assets and liabilities

The carrying amount of deferred income tax assets and liabilities is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Changes in estimates of future taxable profit can materially affect the amount of deferred income tax assets and liabilities recognized from period to period.

5. EXPLORATION AND EVALUATION ASSETS

The Company acquired the Property, a mineral claim ("MWK"), tag # F97540 in the South Slave region of the North West Territories, NTS Map 75E05, pursuant to a mineral property acquisition agreement (the "Acquisition Agreement") dated for reference February 7, 2017 among the Company as purchaser, Jaskarn Singh Rai, Ritchie John Wigham, Glen Colin Macdonald and Max Braden as vendors (the "Vendors") and 1089621 B.C. Ltd. as royalty holder (the "Royalty Holder"). Each of the Vendors is a founder and director of the Company and was a director of the Company at the time of entering into the Acquisition Agreement. Pursuant to the Acquisition Agreement, the Company acquired a 100% right, title and interest in and to the Property, subject to a 3.5% net smelter returns royalty, by making a cash payment of one dollar (\$1.00) to each of the Vendors. The acquisition of the Property by the Company was formalized by the Acquisition Agreement. The Property is subject to a 3.5% net smelter returns royalty (the "Royalty") to the Royalty Holder. The Company has the right to purchase two-seventh (2/7th) of the Royalty from the Royalty Holder at any time for one million (\$1,000,000) dollars after which the Royalty will be reduced to 2.5% of net smelter returns. After payment of one million (\$1,000,000) the Company has the right to purchase two-fifth (2/5th) of the remaining Royalty for two million (\$2,000,000) dollars at any time after which the Royalty rate will be reduced to 1.5% of net smelter returns. The Property has a ten (10) kilometer area of interest, and any mineral claims or properties interest within this area that any of the Vendors and/or associated parties acquires, through staking or otherwise, will become part of the Acquisition Agreement and be subject to the Royalty.

On June 28, 2018, the Company entered into a 21 year lease commencing on August 30, 2016 with the Minister of Department of Indian Affairs and Northern Development. The claim is 188.12 hectares and has an annual rental fee of \$470.30 payable to the Minister of Department of Indian Affairs and Northern Development and there is no other capital commitment required to maintain the lease.

SLAVE LAKE ZINC CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2018 and 2017****5. EXPLORATION AND EVALUATION ASSETS (continued)**

As at September 30, 2018, the project is still at an early exploration stage.

The Company has incurred the following exploration expenditures as at September 30, 2018 and 2017:

	September 30, 2018	September 30, 2017
Opening balance	\$ 113,377	\$ -
INAC accumulated fees from the acquisition date	-	5,115
Geological costs	53,757	76,257
Mobilization costs	8,179	32,005
	\$ 175,313	\$ 113,377

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Accounts payable	\$ 15,345	\$ -
Accrued liabilities	21,600	32,260
	\$ 36,945	\$ 32,260

7. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". Related parties may enter into transactions which unrelated parties might not. Transactions between related parties are generally affected on the same terms, conditions and amounts as transactions between unrelated parties.

When considering each possible related party, not only their legal status is taken into account, but also the substance of the relationship between these parties.

SLAVE LAKE ZINC CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2018 and 2017**

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Included in the Statements of Loss and Comprehensive Loss for the year ended September 30, 2018 and 2017, are the following amounts, which arose due to transactions with related parties:

	2018	2017
Management fees charged by the Directors	\$ -	\$ 144,000
Management fees charged by the President	38,500	72,000
Management fees charged by the CEO	43,500	72,000
	\$ 82,000	\$ 288,000

The Company had the following outstanding balances as at September 30, 2018 and September 30, 2017 with related parties:

	2018	2017
Due to the Directors	\$ 9,385	\$ 153,235
Due to the President	1,163	73,163
Due to the CEO	1,163	73,163
	\$ 11,711	\$ 299,561

Due to related parties are expenses incurred by Directors of the Company on its behalf. Due to related party, balances are unsecured, without interests and are due on demand.

During the year ended September 30, 2018, the Company issued nil (2017:12,000,000 shares in aggregate at \$0.02 per share) shares to the Directors, the President, and CEO (Note 8).

8. SHARE CAPITAL**a) Authorized**

Unlimited common shares without par value.

b) Issued and outstanding

As at September 30, 2018, the issued share capital comprised of 26,700,000 common shares outstanding (2017: 26,500,000).

Year ended September 30, 2017:

On April 28, 2017, the Company issued 12,500,000 common shares at \$0.02 per share for gross cash proceeds of \$250,000 (Note 7).

On September 29, 2017, the Company issued 6,400,000 common shares at \$0.05 per share for gross cash proceeds of \$320,000.

The Company incurred costs of \$17,500 related to the issuance of the shares during the year ended September 30, 2017.

SLAVE LAKE ZINC CORP.
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8. SHARE CAPITAL (*continued*)

b) Issued and outstanding (*continued*)

Year ended September 30, 2018:

On October 20, 2017, the Company issued 200,000 common shares at a price of \$0.05 per share for gross cash proceeds of \$10,000.

During the year the Company received cash proceeds of \$38,000 on account of subscription receivable from the previous year.

c) Stock Options

On June 21, 2018, the Company adopted an incentive stock option plan (the "Option Plan"). The purpose of the Option Plan is to promote the interests of Employees and the Company by furnishing directors, officers, employees and consultants with an opportunity to invest in the Company in a simple and cost effective manner and better align the interests of directors, officers, employees and consultants with those of the Company and its shareholders through the ownership of common shares of the Company. The maximum number of shares reserved for issuance upon exercise of options granted shall not exceed 15% of the issued and outstanding common shares of the Company. The option period shall not exceed 10 years from the date of grant. Under the Option Plan, the subscription price in respect of any option shall be set in accordance with the applicable policies of the Exchange. The number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares in any twelve month period or any aggregate maximum of 1% if the optionee(s) are engaged in investor relations activities or if the optionee is a consultant, no more than 2% per consultant in any twelve month period. The Option Plan contains no vesting requirements.

As at September 30, 2018, no options had been issued under the plan.

d) Escrowed Securities

During the year ended September 30, 2018, the Company entered into an escrow agreement, whereby 20,650,000 common shares will be held in escrow and are scheduled for release according to the following schedule:

Date	Quantity
On the date the Company's securities are listed on a Canadian exchange (the listing date)	2,065,000
6 months after the listing date	3,097,500
12 months after the listing date	3,097,500
18 months after the listing date	3,097,500
24 months after the listing date	3,097,500
30 months after the listing date	3,097,500
36 months after the listing date	3,097,500

At September 30, 2018, 20,650,000 common shares were held in escrow.

SLAVE LAKE ZINC CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED SEPTEMBER 30, 2018 and 2017**

9. SPECIAL WARRANTS

During the year ended September 30, 2018, the Company concluded a special warrant financing of 6,194,500 special warrants at \$0.10 for gross cash proceeds of \$566,800 net of \$52,650 related finders fees. Each special warrant may be exercised by the holder, in whole or in part, at any time, into one common share of the Company and one-half of one non-transferable share purchase warrant, whereby each whole warrant can be exercisable to purchase one fully-paid and non-assessable common share of the Company at an exercise price of \$0.30 per share until expiration of the warrants on the first business day after the date that is two years from the date of exercise or deemed exercise of the special warrant.

Subsequent to the year ending, all special warrants were exercised (Note 14).

10. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended September 30, 2018 was based on the loss attributable to common shareholders of \$151,149 (2017: \$344,182) and the weighted average number of common shares outstanding of 26,689,041 (2017: 12,925,753).

11. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% to income before income taxes. A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2018	2017
Net loss for the year	\$ (151,149)	\$ (344,182)
Statutory income tax rate	27%	26%
Income tax benefit computed at statutory tax rate	(40,810)	(89,487)
Non-deductible items	(14,216)	(4,550)
Other	(3,617)	-
Unrecognized benefit of deferred income tax assets	58,643	94,037
Income tax recovery	\$ -	\$ -

	2018	2017
Non-capital losses	\$ 138,474	\$ 90,399
Other items	14,207	3,640
Unrecognized deferred tax assets	(152,682)	(94,039)
Net deferred tax assets	\$ -	\$ -

The Company has non-capital losses of \$512,868 available for carry-forward to reduce future years' income for income tax purposes that will expire between 2036 and 2038.

12. CAPITAL MANAGEMENT

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. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing if difficult market conditions exist.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company does not have sources of revenue. As such, the Company is dependent on external financing to fund its activities. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during year ended September 30, 2018. The Company is not subject to external restrictions on its capital.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**Financial instruments**

The Company's financial instruments consist of cash, accounts payable and due to related parties.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The carrying value of cash, accounts payable and accrued liabilities and due to related parties approximate their fair value.

Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company considers credit risk with respect to cash to be immaterial as cash is mainly held through large Canadian financial institutions.

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13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2018 equal \$48,656. All of the liabilities presented as accounts payable and due to related parties are due on demand. The Company intends to finance its operations over the next twelve months with loans from directors and companies controlled by directors and share private placements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at September 30, 2018, the Company is not exposed to significant market risk.

14. SUBSEQUENT EVENTS

Subsequent to September 30, 2018, the Company granted options to directors and officers of the Company to purchase up to 4,200,000 common shares in the capital of the Company at an exercise price of \$0.10 per share for a period of 2 years from the date of the grant.

On October 24, 2018, all 6,194,500 special warrants were exercised and 6,194,500 common shares were issued and 3,097,250 warrants were issued to purchase shares at \$0.30 per share for a period of two years from the date of exercise or deemed exercise of the special warrant (Note 9).