EASTERN ZINC CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three month period ended December 31, 2018 and 2017

(Expressed in Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW

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

The accompanying unaudited condensed consolidated interim financial statements of Eastern Zinc Corp. have been prepared by and are the responsibility of management.

These condensed consolidated interim financial statements for the three months ended December 31, 2018 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

EASTERN ZINC CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars - Unaudited)

	December 31, 2018	September 30, 2018
	$	$
ASSETS		
Current		
Cash	**105,424**	618,886
GST receivable	**32,352**	8,279
Prepaid expenses	**184,867**	40,050
	322,643	667,215
Non-Current		
Exploration and evaluation assets (Note 4)	**5,919,292**	14,490
Total Assets	**6,241,935**	681,705
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	**97,742**	96,829
Due to related parties	**-**	16,800
Loan payable (Note 6)	**-**	3,000
Total Liabilities	**97,742**	116,629
Shareholders' Equity		
Share capital	**7,768,280**	1,938,478
Reserves	**920,103**	179,102
Deficit	**(2,544,190)**	(1,552,504)
Total shareholders' equity	**6,144,193**	565,076
Total liabilities and shareholders' equity	**6,241,935**	681,705

Nature and continuance of operations (Note 1)
Subsequent event (Note 12)

Approved by the board of directors and authorized for issue on February 27, 2019

"Joel Dumaresq" — Director

" Michael Dake" — Director

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

EASTERN ZINC CORP.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars - Unaudited)

	Three-month periods ended	
	December 31, 2018	December 31, 2017
	$	$
Expenses		
Consulting (Note 8)	76,632	-
Exploration and evaluation (Note 11)	147,663	-
Filing fees	11,452	989
Office	2,841	30,030
Professional fees (Note 8)	10,597	15,235
Rent	1,500	-
Share based compensation	741,001	-
Net and comprehensive loss for the period	(991,686)	(46,254)
Basic and diluted loss per share	**(0.02)**	(0.01)
Weighted average number of common shares outstanding, basic and diluted	**46,306,492**	3,594,000

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

EASTERN ZINC CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars - Unaudited)

	Share capital				
	Number of shares	Value	Share-based payment reserve	Deficit	Total Shareholders' Equity
	#	$	$	$	$
Balance, September 30, 2017	**3,594,000**	**979,438**	**73,636**	**(1,127,587)**	**(74,513)**
Net and comprehensive loss for the period	-	-	-	(88,446)	(88,446)
Balance, December 31, 2017	**3,594,000**	**979,438**	**73,636**	**(1,216,033)**	**(162,959)**
Balance, September 30, 2018	**23,593,992**	**1,938,478**	**179,102**	**(1,552,504)**	**565,076**
Net and comprehensive loss for the period	-	-	-	(991,686)	(991,686)
Acquisition of mineral property option	13,350,000	1,335,000	-	-	1,335,000
Acquisition of mineral property - 1185779	9,630,000	1,797,920	-	-	1,797,920
Acquisition of mineral property – Joubin	14,445,000	2,696,882	-	-	2,696,882
Share based compensation	-	-	741,001	-	741,001
Balance, December 31, 2018	**61,018,992**	**7,768,280**	**920,103**	**(2,544,190)**	**6,144,193**

On October 19, 2018, the Company split its issued and outstanding common shares on the basis of three shares for each existing share. Unless otherwise noted, all share, option and warrant information have been retroactively adjusted to reflect this stock split.

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

EASTERN ZINC CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the three-months period ended December 31, 2018 and 2017
(Expressed in Canadian dollars - Unaudited)

	December 31, 2018 $	December 31, 2017 $
Operating Activities		
Loss for the period	**(991,686)**	(46,254)
Items not affecting cash:		
Share based compensation	**741,001**	-
Changes in non-cash working capital items:		
Receivables	**(24,073)**	296
Prepaid expenses	**(144,817)**	1,250
Accounts payable and accrued liabilities	**(15,887)**	44,646
Cash used in operating activities	**(435,462)**	(62)
Investing Activities		
Acquisition of mineral properties	**(75,000)**	-
Cash used in investing activities	**(75,000)**	-
Financing Activities		
Repayment of loan	**(3,000)**	-
Cash used in financing activities	**(3,000)**	-
Net change in cash during the period	**(513,462)**	(62)
Cash, beginning of the period	**618,886**	143
Cash, ending of the period	**105,424**	81
Supplementary cash flow information		
Shares used to acquire mineral property option	**1,335,000**	-
Shares issued to acquire Joubin	**2,696,882**	-
Shares issued to acquire 1185779	**1,797,920**	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Eastern Zinc Corp. (the "Company") was incorporated under the provisions of the Business Corporations Act (British Columbia) on June 5, 2006. On September 4, 2018 the Company's common shares began trading on the Canadian Securities Exchange (the "CSE") under its the symbol "EZNC". The Company is a junior exploration company focused on the acquisition, exploration, and development of resources properties.

The Company has its administration office and registered records office at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of operations rather than through a process of forced liquidation. As at December 31, 2018, the Company had no source of revenue, had a working capital of $224,901 and an accumulated deficit of $2,544,190. The ability of the Company to continue as a going concern depends upon its ability to identify, evaluate and negotiate an acquisition of a viable project and to continue to raise adequate financing and attain future profitable operations. Management is continually targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business to ensure continuation of the Company's operations and exploration programs. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. While this has been successful in the past, there is no assurance that such financing will be available in the future. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and in accordance with IAS 34 – Interim Financial Reporting. The condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2018. These condensed consolidated interim financial statements have been prepared following the same accounting policies as the Company's audited financial statements for the year ended September 30, 2018.

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification is for presentation purpose only and has no effect on previously reported results.

The Board of Directors approved these condensed consolidated interim financial statements on February 27, 2019

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

2. BASIS OF PRESENTATION (CONTINUED)

c) Functional and presentation currency

In management's judgement the functional currency of the Company is the Canadian dollar. The presentation currency used in preparing these financial statements of the Company is also the Canadian dollar.

d) Basis of consolidation

As of the date of these condensed consolidated interim financial statements, the Company's structure is represented by Eastern Zinc. parent company, and the following wholly owned subsidiaries:

Name	Place of Incorporation	Interest
Joubin Capital Inc.	British Columbia	100%
1185779 BC Ltd.	British Columbia	100%

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed consolidated interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended September 30, 2018, with exception to the new accounting policies adopted by the Company discussed below.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Changes in accounting standards

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company in the three-month period ended December 31, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have any revenue from customers, this change had no impact on the financial statements.

IFRS 9 Financial Instruments

A finalized version of *IFRS 9 Financial Instruments* replaces *IAS 39 Financial Instruments: Recognition and Measurement*. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from *IAS 39*. This change had no impact on the financial statements.

New Standards and Interpretations Not Yet Adopted

The Company will be required to adopt the following standards and amendments issued by the IASB, as described below.

Applicable to the Company's annual period beginning on January 1, 2019:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Leases. The Company has not early-adopted this standard and is currently assessing the impact that the standard will have on the condensed consolidated interim financial statements.

4. EXPLORATION AND EVALUATION ASSETS

	BC Zinc Properties	Maritime Properties	Clear Lake	Bulkley-Nechako	Total $
Balance, September 30, 2018	-	-	-	14,490	14,490
Additions	2,696,882	1,797,920	1,335,000	-	5,904,802
Balance, December 31, 2018	2,696,882	1,797,920	1,335,000	14,490	5,919,292

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

On November 26, 2018, the Company announced the acquisition of a diversified portfolio of zinc exploration assets securely located in Canada.

BC Zinc Assets

On November 15, 2018, the Company completed a share purchase and sale agreement ("Share Purchase Agreement") to acquire 100% of Joubin Capital Inc. ("Joubin"), a Company incorporated under the laws of the province of British Columbia. Joubin owns British Columbia zinc assets and controls 3,380 hectares of mineral claims in British Columbia.

As consideration, the Company issued 13,500,000 common shares with a fair value of $2,520,450. The Company issued 945,000 finder common shares with a fair value of $176,432.

Maritime Zinc Assets

On November 21, 2018, the Company completed a share purchase and sale agreement ("Share Purchase Agreement") to acquire 100% of 1185779 BC Ltd. ("1185779"), a Company incorporated under the laws of the province of British Columbia. 1185779 owns the Maritime zinc assets and controls certain mineral claims in Newfoundland and New Brunswick.

As consideration, the Company issued 9,000,000 common shares with a fair value of $1,680,300. The Company issued 630,000 finder common shares with a fair value of $117,620.

Clear Lake Assets

On October 1, 2018, the Company completed an Assignment Agreement ("Agreement") with Generation Mining Limited. ("Generation"). Generation has an option ("Option") to acquire 100% interest to 121 mineral claims ("Clear Lake") in the Whitehorse Mining Division with the Optionor ("Optionor"). Generation assigned this Option to the Company.

As consideration, the Company has the following commitments to Generation:

- $50,000 in cash, payable upon execution of the agreement (Paid);
- 12,600,000 common shares to Generation, issuable upon execution of the agreement (Issued);
- $50,000 in cash, payable on the one year anniversary from the date of execution; and,

- 5,010,000 common shares, issuable on the one-year anniversary from the date of execution.

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company has the following commitments to the Optionor:

- $25,000 in cash, payable to the "Optionor," upon execution of the agreement (Paid); and,
- 750,000 common shares, issuable to the Optionor, upon execution of the agreement (Issued);

The Company issued 12,600,000 common shares to Generation with a fair value of $1,260,000. The Company issued 750,000 common shares to the Optionor with a fair value of $75,000.

To earn the 100% interest in Clear Lake, the Company has agreed to the following:

Complete exploration expenditures of a minimum of $500,000 on Clear Lake and complete 3,000 metres of drilling:

- $25,000 on or behalf August 31, 2016 (Paid); and,
- $500,000 on or before March 31, 2020.

Make payments to the Optionor of the property, as follows:
- $10,000 at execution of the agreement (Paid);
- $10,000 on or before March 31, 2017 (Paid);
- $10,000 on or before March 31, 2018 (Paid);
- $10,000 on or before March 31, 2019;
- $20,000 on or before March 31, 2020;
- $40,000 on or before March 31, 2021;
- $25,000 on completion of 1,500 meters of drilling on or before March 31, 2020; and,
- $25,000 on completion of a further 1,500 meters of drilling on or before March 31, 2021.

The Optionor is entitled to receive an additional payment of $125,000 and 250,000 shares of the Company on completion of an NI 43-101 technical report disclosing resources to at least inferred resources containing one of the following:
- 2.2 billion pounds of zinc; or
- 320 million pounds of lead; or,
- 320 million grams of silver.

The Option is subject to a 2% net smelter return royalty.

Bulkley-Nechako Regional District of British Columbia Property

On May 7, 2018, the Company entered into an agreement with International Cobalt Corp. for the acquisition of a 100% right, title and interest in seven contiguous mineral claims covering approximately 1,763 hectares in the Bulkley-Nechako Regional District of British Columbia (the "Property").

To earn its interest, the Company agreed to pay $10,000 cash (paid) and spend $250,000 in exploration expenditures on the Property within two years with a minimum of $100,000 to be spent in year one.

The Property is subject to a 2.5% NSR held by the vendor. The Company, at its option, can purchase 2.0% NSR for $1.0 million or $250,000 per 0.5%.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	December 31, 2018 $	September 30, 2018 $
Accounts payable	2,609	20,496
Accrued liabilities	95,133	93,133
	97,742	113,629

6. LOAN PAYABLE

During the three-month period ended December 31, 2018, the Company repaid the loan payable in full in the amount of $3,000. The loan was unsecured, non-interest bearing and due on demand.

7. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Issued and outstanding

The Company has 61,018,992 common shares issued and outstanding (September 30, 2018: 23,593,992).

On October 2, 2018, the issued 12,600,000 common shares to Generation and 750,000 common shares to the Optionor, with fair values of $1,260,000 and $75,000, respectively.

On October 19, 2018, the Company split its issued and outstanding common shares on the basis of three shares for each existing share. Unless otherwise noted, all share, option and warrant information have been retroactively adjusted to reflect this stock split.

On November 26, 2018, the Company issued 13,500,000 common shares with a fair value of $2,520,450 pursuant to the acquisition of Joubin. The Company issued 945,000 finder common shares with a fair value of $176,432.

On November 26, 2018, the Company issued 9,000,000 common shares with a fair value of 1185779 with a fair value of $1,680,300. The Company issued 630,000 finder common shares with a fair value of $117,620.

During the period ended December 31, 2017, the Company did not complete any share issuances.

7. SHARE CAPITAL (CONTINUED)

c) Warrants

The following is a summary of the Company's share purchase warrant activity for the thee month period ended December 31, 2018 and the year ended September 30, 2018.

	Number of Warrants	Weighted average exercise price
Outstanding, September 30, 2017	-	-
Issued	21,236,331	$0.073
Outstanding, September 30, 2018 and December 31, 2018	21,236,331	$0.073

Details of warrants outstanding as at December 31, 2018 are as follows:

Exercise price	Number of Warrants outstanding	Expiry date
	-	-
$0.073	21,236,331	April 17, 2020
Total	**21,236,331**	

The weighted average price of warrants outstanding was $0.073, and the weighted average life was 0.29 years.

d) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to five years from the date of grant.

On November 26, 2018, the Company granted incentive stock options to directors, officers, and consultants to purchase an aggregate of 3,694,399 common shares at an exercise price of $0.22 per common share for up to five years. The options vested upon grant. The grant date fair value of the options was measured at $741,001. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - $0.22; exercise price - $0.22; expected life – 5 years; volatility – 150%; dividend yield – $0; and risk-free rate – 2.30%.

8. RELATED PARTY TRANSACTIONS AND PAYMENTS TO KEY MANAGEMENT PERSONNEL

During the three months ended December 31, 2018 and 2017, the Company entered into the following transactions with related parties and incurred payments to key management personnel, which were in the normal course of operations.

	December 31, 2018 $	December 31, 2017 $
Legal fees paid to a law firm where a former director of the Company is a partner.	**-**	13,485
Management and consulting fees paid to a company jointly controlled by the CFO	**3,000**	3,000
Office rent paid to a company jointly controlled by the CFO	**3,000**	5,400
	6,000	21,885

Included in accounts payable and accrued expenses is $16,800 (September 30, 2018 - $18,900) due to related parties. The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

9. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance future business opportunities. The Company does not have any externally imposed capital requirements to which it is subject. There were no changes to the Company's approach to capital management.

As at December 31, 2018, the Company had capital resources consisting mainly 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 common shares or dispose of assets.

10. FINANCIAL INSTRUMENTS

As at December 31, 2018, the Company's financial instruments consists of cash, accounts payable and loans payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risks arising from these financial instruments. The risk exposure is summarized as follows:

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balance at the bank. The majority of the Company cash is held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. As such, management has determined credit risk to be low.

10. FINANCIAL INSTRUMENTS (CONTINUED)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at December 31, 2018, the Company had a cash balance of $105,424 (September 30, 2018 - $618,886) to settle current liabilities of $97,742 (September 30, 2018 - $116,629) which mainly consists of account payables that are considered short term and normally settled within 30 days.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company has limited financial resources and has no assurance that additional funding will be available to it for future development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and operational success of its activities. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings. Management has determined liquidity risk to be high.

c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash attracts interest at floating rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are at present low; however, the conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements. The Company does not have any liabilities with variable interest rates. As such, management has determined interest rate risk to be low.

(ii) Foreign currency risk

The Company's financial assets and liabilities are not exposed to foreign currency risk.

(iii) Price risk

The Company is not subject to significant price risk.

10. FINANCIAL INSTRUMENTS (CONTINUED)

d) Fair value

The carrying values of accounts payable and loans payable approximate their respective fair values due to the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. Financial assets and liabilities recognised at fair value must be classified in one of the following three fair value hierarchy levels:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured using level 1 inputs.

11. EXPLORATION AND EVALUATION EXPENDITURES

The following table reflects the exploration and evaluation expenditures incurred in the three months ended December 31, 2018. Cumulative expenses are shown for each project.

Three months ended December 31, 2018	BC Zinc Properties	Maritime Properties	Clear Lake	Bulkley-Nechako	Total $
Assay	-	33,524	3,177	-	36,701
Geological	-	95,802	1,800	-	97,602
Filings and licenses	-	11,160	-	-	11,160
Administrative and project management	-	2,200	-	-	2,200
Total December 31, 2018	-	142,686	4,977	-	147,663
Cumulative Expenditures	-	142,686	4,977	-	147,663

12. SUBSEQUENT EVENTS

On January 8, 2019, the Company entered into a Share Purchase and Sale Agreement to acquire 100% interest in 1186835 B.C. Ltd. (“1186835”). 1186835 holds a large portfolio of mineral rights focused on an emerging carbonate reef district in Nova Scotia, Canada.

As consideration, the Company issued 4,500,000 common shares and the mineral tenure is subject to a 2% gross royalty payable to a third-party. Finders fees are payable on this transaction.

On February 25, 2019, the Company entered into an Option Agreement (“Option Agreement”) to earn a 100% interest in 35 mineral claims (“BMC Properties”) covering 22,000 hectares in the Bathurst Mining Camp, located in New Brunswick, Canada.

To earn a 100% interest in the BMC Properties, the Company is committed to cash payments totalling $790,000 and issuing 5,500,000 common shares over a 4-year period. The Optionor is entitled to a 2% NSR royalty on future mineral production from the BMC Properties.