

ZincX Resources Corp.

(formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

The Quarterly Highlights of ZincX Resources Corp. (the "Company" or "ZincX") provide a summary of the activities, results of operations and financial condition of the Company as at and for the nine months ended March 31, 2019. The Quarterly Highlights have been prepared by management as of May 29, 2019 and should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto of the Company for the nine months ended March 31, 2019 and 2018, the audited consolidated financial statements and related notes thereto of the Company for the years ended June 30, 2018 and 2017, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), and the annual Management Discussion and Analysis ("MD&A") of the Company prepared by management as of October 23, 2018.

The Company is presently a Tier 1 venture issuer on the TSX Venture Exchange ("TSX-V"). Effective May 7, 2018, the Company changed its name from Canada Zinc Metals Corp. to ZincX Resources Corp. and commenced trading its shares on the TSX-V under the new name and symbol ZNX.

The Company operates in one business segment, that being the exploration and development of mineral properties in British Columbia, Canada.

The Company's flagship Akie Project is host to the Cardiac Creek deposit. The Company holds a 100% interest in the Akie Property, which is located approximately 260 kilometers north-northwest of the town of Mackenzie in northeastern British Columbia.

The Akie zinc-lead-silver property is situated within the Kechika Trough, the southernmost extension of the regionally extensive Paleozoic Selwyn Basin, one of the most prolific sedimentary basins in the world for the occurrence of sedimentary exhalative (SEDEX) zinc-lead-silver deposits and stratiform barite deposits. Drilling on the Akie property by the Company since 2005 has identified a significant body of barite rich zinc-lead-silver SEDEX mineralization known as the Cardiac Creek deposit. The deposit is hosted by siliceous, carbonaceous, fine-grained clastic rocks of the Middle to Late Devonian Gunsteel Formation.

The Company updated the estimate of mineral resources at Cardiac Creek in early 2018, which is presented below:

ESTIMATE OF MINERAL RESOURCES – CARDIAC CREEK DEPOSIT

Category	5% zinc cut-off grade				Contained metal		
	Tonnes (million)	Zn (%)	Pb (%)	Ag (g/t)	Zn (B lbs)	Pb (B lbs)	Ag (M oz)
Indicated	22.7	8.32	1.61	14.1	4.162	0.804	10.3
Inferred	7.5	7.04	1.24	12.0	1.169	0.205	2.9

Note: Mineral resources are not mineral reserves because the economic viability has not been demonstrated.

The updated mineral resource estimate was prepared by Robert Sim, P.Geo with the assistance of Bruce Davis, FAusIMM. Mr. Sim is an independent Qualified Person within the meaning of NI 43-101 for the purposes of mineral resource estimates and was responsible for the 2008 maiden resource and the 2012 and the 2016 updated mineral resource estimates.

The updated mineral resource estimate and the results of a Preliminary Economic Assessment ("PEA") for the Cardiac Creek deposit were filed in a report entitled "*NI 43-101 Technical Report Akie Project British Columbia, Canada*" with an effective date of June 20, 2018 and report date of August 1, 2018. The report can be found under the Company's profile at www.sedar.com and on the Company's website, www.zincxresources.com.

ZincX Resources Corp. **(formerly Canada Zinc Metals Corp.)**

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

The Kechika Regional Project consists of 10 properties including the Pie, Yuen, Cirque East and Mt. Alcock properties extending northwest from the Akie property for approximately 140 kilometres along the strike of the highly prospective Gunsteel Formation shale; the main host rock for known SEDEX zinc-lead-silver deposits in the Kechika Trough of northeastern British Columbia.

The Pie, Yuen, Cirque East properties (known as the “Pie Properties”) are the subject of a joint venture arrangement with Teck Resources Limited (“Teck”) and its JV partner, Korea Zinc Co., Ltd. (“Korea Zinc”) to jointly explore the Pie Properties on a 49%-51% joint venture basis, with Teck acting as the operator. Teck and Korea Zinc acquired 51% interest in the Pie Properties by incurring cumulative aggregate exploration expenditures of \$3,500,000 to December 31, 2017.

Overall performance

Significant events and operating highlights for the nine months ended March 31, 2019 and up to the date of these MD&A:

- **Preliminary Economic Assessment (PEA)**

In June 2018, the Company announced the completion of a PEA authored by JDS Energy & Mining Inc. of Vancouver, B.C. and in August 2018 filed a technical report on SEDAR and prepared in accordance with NI 43-101 Standards for its 100-per-cent-owned zinc-lead-silver Cardiac Creek deposit located on the Akie property in northeast British Columbia, Canada.

The PEA indicates that the Akie project is potentially economic and technically feasible. Management considers its completion a significant step in advancing the Cardiac Creek deposit to a production decision. The positive results outlined in the PEA demonstrate a robust, stand-alone base metal project with a large and potentially growing resource base complete with all-season access, good rail and road infrastructure, and amenable to conventional mining and milling practices common to similar projects. This project has significant exposure to zinc given the almost 10 to 1 zinc to lead ratio in payable metal production over life of mine.

The PEA envisions a conventional underground mine and concentrator operation with a small environmental footprint measuring approximately 20 hectares in size upon start-up, expanding to approximately 35 hectares at closure. The mine will have an average production rate of 4,000 tonnes per day (tpd) principally from long-hole stoping. Much of the waste rock and majority of the mill tailings will be placed back underground as cemented backfill. The rest of filtered tailings will be stacked in a surface filtered tailings facility, located near the mill. The mine will have an 18-year life with potential to extend the life-of-mine through resource expansion.

Economic Highlights of the PEA include:

- Estimated pre-tax NPV_{7%} of **\$649M** (\$401M after-tax)
- Estimated pre-tax **35% IRR** (27% after-tax)
- Estimated pre-tax **2.6 year payback** (3.2 year payback after-tax)
- PEA contemplates a **4,000 tonne per day** underground mine and **3,000 tonne per day** concentrator with an **18-year** mine life
- Total mine production of **25.8 million tonnes** of which **19.7 million tonnes** are processed
- Initial CAPEX (excluding contingency) estimated at **\$256.7M**; total of **\$302.3M** including **\$45.7M** in contingency
- Payable metal production over life-of-mine is **3,268M lbs of zinc & 362M lbs of lead**

ZincX Resources Corp. **(formerly Canada Zinc Metals Corp.)**

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

- Average annual production of **178M lbs of payable zinc** and **20M lbs of payable lead** at an all-in operating cost of **\$102.38/tonne milled**
- Total payable metal LOM is **\$3,960M**; or **\$201/tonne milled**
- Saleable zinc and lead concentrates with **no penalty elements (clean concentrate)**
- There are no net smelter royalties owed (**0% NSR**)
- **Opportunities for continued refinement** through additional studies including upgrading lead and silver recoveries and reducing operating costs
- The Cardiac Creek deposit remains **open at depth** with potential to **increase mine life**
- The Akie and Kechika Regional projects combined, offer **district-scale potential** for **new discoveries**

The Company will be working closely with its mining consultants and advisers to plot a course forward for the most cost-effective and efficient development of the Cardiac Creek deposit. The Company anticipates more detailed engineering assessments leading to a prefeasibility study. Mike Makarenko P.Eng, JDS Energy and Mining, is the designated Qualified Person as defined by National Instrument 43-101 and is responsible for the PEA technical information contained in this document.

- **2019 Exploration program**

Planning for the 2019 exploration program is nearing completion and the Company expects to begin mobilizing field crews and drill equipment to the Akie camp by mid-June. Contractual arrangements are being finalized with several service providers. The diamond drill program is expected to start mid to late-June and continue through to September.

The 2019 diamond drilling program will focus on the central high-grade core of the deposit targeting the initial five years of future mine production identified in the PEA; with an intent to provide additional close-spaced drill intercepts to increase confidence in the current resource model as well as advance the existing studies to a prefeasibility level including metallurgical testing, geotechnical, and mining engineering assessments.

Plans are also underway to permit and execute a surface geotechnical and hydrogeological program to confirm site selection for key mine infrastructure areas identified in the PEA.

- **2018 Akie drilling program**

In early September 2018, the Company concluded its 2018 drilling program that commenced in June 2018. A total of 5 drill holes were successfully drilled on several property targets comprising 2,013 metres of diamond drilling.

2018 drill program highlights:

- First-ever drill test of the massive Sitka barite surface showing where previous channel sampling in 2013 returned high-grade zinc-lead assay results. The drilling has traced sphalerite-bearing vein mineralisation approximately 100 metres below surface. The best interval from hole DDH A-18-144 returned 3.7% Zn over a width of 3.50 metres from a downhole depth of 168.1 to 171.5 metres, including 11.1 % Zn over a width of 0.9 metres. A lower interval from hole DDH A-18-145 from 196.7 to 201.8 metres returned 3.8% Zn over a width of 5.1 metres, including 11.3% Zn over 1.0 meter.
- Drill test of the southeastern strike extent of the Cardiac Creek deposit beyond the current limits of the resource model. Drilling encountered a thick hybrid zone of distal/proximal facies mineralisation from 280 metres to 448 metres that returned scattered anomalous zinc values.

ZincX Resources Corp.
(formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

The interval from 507.94 to 514.98 metres returned zinc values reaching 0.53% and averaging 0.31% Zn over an apparent width of 7.04 metres.

- Drill test of the down-dip extent of the north lead zone target where previous drilling intersected extensive intervals of bedded pyrite mineralization highly anomalous in zinc and lead. The hole returned anomalous zinc values ranging from 0.1% to 0.43% Zn in numerous intervals over a combined thickness of 125 metres from a downhole depth of 300 to 483 metres.
- Drill test of the projected Sitka mineralized target approximately 400 metres to the southeast of the Sitka showing. Quartz veining is present within the faulted contact between the Road River Group and the Kwadacha limestone that is similar to the mineralized veins observed in holes A-18-144 and A-18-145. The vein/fault zone hosts weathered sphalerite and visible seams of galena. Notable zinc results were intersected over 12.98 metres from 94.86 to 107.84 metres that returned 1.1% Zn including 3.5% Zn over 2.80 metres at a downhole depth of 95.8 metres.

A summary table of the results from the 2018 drilling program on the Cardiac Creek deposit can be seen below.

Drill Hole	Zone	From (m)	To (m)	Apparent Width (m)*	Zn (%)
A-18-144¹	Sitka	172.72	174.59	1.87	3.54
incl		172.72	173.72	1.00	5.76
		186.51	187.15	0.64	1.53
		196.70	201.78	5.08	3.79
incl		196.70	200.00	3.30	5.73
incl		199.01	200.00	0.99	11.33
A-18-145¹	Sitka	148.13	148.76	0.63	7.51
		159.40	159.80	0.40	3.35
		163.37	163.83	0.46	4.65
		168.05	171.55	3.50	3.72
incl		168.05	168.91	0.86	11.09
		175.09	175.69	0.60	2.36
A-18-147	SE Zone	475.97	487.06	11.09	0.10
		507.94	514.98	7.04	0.31
A-18-148	North Lead	417.25	420.21	2.96	0.31
A-18-149	Sitka Ext.	94.86	107.84	12.98	1.10
	incl.	95.80	97.98	2.18	3.47

*True widths are unknown at this time

• **Financing and other activities affecting share capital**

In November and December 2018, the Company completed two consecutive flow-through private placements issuing an aggregate of 3,568,692 flow-through shares at a price of \$0.39 per share for gross proceeds of \$1,391,790. The Company paid cash finder's fees of \$63,896 and regulatory filing fees of \$10,213 in connection with the private placements. The proceeds from the private placements will be used on exploration expenditures in calendar 2019.

142,500 stock options were exercised at a price of \$0.25 per share by employees and consultants of the Company in July 2018 for total proceeds of \$36,025.

ZincX Resources Corp.
(formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

220,000 share purchase warrants were exercised at a price of \$0.55 per share in July 2018 for gross proceeds of \$121,000. The warrants were granted under the December 2016 private placement and had an expiry date of December 15, 2018.

860,000 incentive stock options were granted to employees and consultants of the Company, exercisable at a price of \$0.33 per common share for a period of eight years commencing on July 3, 2018. 240,000 incentive stock options were granted to consultants of the Company, exercisable at a price of \$0.39 per common share before January 3, 2020.

In July 2018, the Company received TSX-V approval for the renewal of its Normal Course Issuer Bid (“NCIB”) to purchase at market price up to 8,287,534 common shares, being approximately 5% of the Company’s issued and outstanding common shares, through the facilities of the TSX-V. The bid commenced on August 1, 2018 and will stay open for another 12 months.

In November 2018, Mr. Hu Xinfu, Vice-President of Tongling Nonferrous Metals Group Holdings Co. Ltd. (“Tongling”), was appointed to the Board of Directors of the Company as an independent director.

At the Company’s Annual General and Special Meeting (“AGSM”), shareholders voted to approve an amended and restated Stock Option Plan of the Company. The maximum number of common shares reserved for issuance under the plan was increased to 33,774,275 or 20% of the issued and outstanding common shares as at December 13, 2018.

Summary of exploration expenditures incurred on various properties to March 31, 2019:

	Akie Property	Kechika Regional	Total
Acquisition Costs:			
Balance, June 30, 2018 and December 31, 2018	\$ 24,165,241	\$ 192,768	\$ 24,358,009
Deferred exploration costs:			
Balance, June 30, 2018	\$ 44,355,601	\$ 4,354,446	\$ 48,710,047
Camp equipment, depreciation	49,980	–	49,980
Drilling	990,112	–	990,112
Geology	74,533	–	74,533
Geophysics	–	13,579	13,579
Preliminary Economic Assessment	29,524	–	29,524
Community consultations	151,562	–	151,562
Environmental studies and permit compliance	36,187	–	36,187
Balance, March 31, 2019	\$ 45,687,499	\$ 4,368,025	\$ 50,055,524
Total, June 30, 2018	\$ 68,520,842	\$ 4,547,214	\$ 73,068,056
Total, March 31, 2019	\$ 69,852,740	\$ 4,560,793	\$ 74,413,533

ZincX Resources Corp.

(formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

Exploration Objectives

Akie Project:

- Continue definition drilling to expand the known extent of the Cardiac Creek deposit; update the current geological and resource models to NI 43-101 standards with all new drill results. Continue to examine trade-off studies to enhance the PEA including additional metallurgical lab testing and targeted geotechnical data acquisition to improve understanding of mine design parameters used in the PEA.
- Continue to evaluate outlying coincident geological/geophysical/geochemical targets for drill target definition.
- Continue to refine the design and costs of the planned underground exploration program. The underground exploration permit remains in good standing until December 2020. The underground exploration program was conceived in order to allow tightly spaced infill drilling from an underground decline in order to upgrade the current mineral resource to the Indicated and Measured levels of confidence. This would provide sufficient data for a pre-feasibility level of economic assessment of the ore body to be completed and investigate future viability of bulk sampling and mining.
- Continue environmental baseline sampling as required to maintain all related exploration permits in good standing.

Kechika Regional Project:

- Continue regional synthesis of all historical and modern exploration data to assist with gap analysis and drill target definition.
- Complete follow-up assessment of airborne gravity anomalies from the 2015 geophysical survey on Mt. Alcock and Yuen North.
- Continue to evaluate high priority greenfield targets.
- Refine target selection to identify drill targets.

Kechika Regional Project (Pie Option Properties):

- Continue to work closely with Teck to review and advise on plans for ongoing exploration on the properties.
- Monitor field exploration results and expenditures and option agreement commitments.
- The next planned phase of exploration on the optioned properties is expected to include continued drill testing of the highest priority targets.

Results of Operations

Nine Months Ended March 31, 2019 and 2018

During the nine months ended March 31, 2019, the Company reported a net loss before comprehensive loss of \$1,457,529 or \$0.009 per share compared to a net loss before comprehensive loss of \$1,333,340 or \$0.008 per share during the same period last year, an increase in net loss of \$124,189.

Income reported for the nine months ended March 31, 2019 included interest income earned on the Company's cash deposits and short-term investments of \$71,979 (2018 - \$80,716) and administration fees of \$2,892 (2018 - \$Nil) earned for the use of the Company's Akie camp facilities during the 2018 summer drilling program.

General administration expenses during the nine months ended March 31, 2019 were \$1,621,530 as compared to \$1,743,229 during the same period last year, representing a decrease of \$121,699.

ZincX Resources Corp. **(formerly Canada Zinc Metals Corp.)**

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

The following expense categories contributed to the decrease in operating expenses:

- Bonuses decreased by \$11,828 (please see section Transactions with Related Parties below);
- Consulting fees decreased by \$77,470 as a result of less financial advisory services retained during the period;
- Director's fees decreased by \$10,000 as there were no fees paid to the Directors of the Company during the last quarter ended March 31, 2019;
- Office and miscellaneous expenses decreased by \$3,488 due to a decrease in the Company's corporate website development costs, telephone and internet charges;
- Regulatory fees decreased by \$6,707; during the same period of the last fiscal year, the Company incurred additional regulatory fees for a foreign background search on the new appointee to the Board of Directors of the Company. No similar cost was incurred in the current reporting period;
- Share-based compensation expenses decreased by \$106,084 as there were fewer stock options granted during the period. During the nine months ended March 31, 2019, the Company granted an aggregate of 1,100,000 (2018 – 1,380,000) stock options to certain employees and consultants of the Company and recorded share-based compensation expense of \$206,552 (2018– \$312,636) for the vested portion of the share options granted; and
- Travel and promotion decreased by \$68,184 primarily due to a decrease in promotional expenses of \$54,518 and travel expenses of \$13,666. The Company incurred higher travel and promotional expenses for participating in a number of mining investment forums and conferences in Asia and Europe in the fall of 2017. No similar expenses were incurred in the current 9-month reporting period.

There were no changes in management and administrative fees during the comparative periods. (Please see section Transactions with Related Parties below).

The above increases were partially offset by decreases in the following categories:

- Marketing expenses increased by \$148,237 due to an increase in advertising and marketing campaigns conducted during the period;
- Flow-through taxes increased by \$2,065 due to a timing difference in renouncing exploration expenditures in connection with the November 2017 flow-through private placement. When the Company uses the "look-back" rule to renounce exploration expenditures to investors before the Company actually incurs them, the Company is liable for the flow-through Part XII.6 tax;
- Professional fees increased by \$3,628 due to corporate legal services retained during the period;
- Transfer agent's fees increased by \$2,279 due to the AGM related costs; and
- Wages and benefits increased by \$8,216 as a result of higher salary expenses.

Three Months Ended March 31, 2019 and 2018

During the three months ended March 31, 2019, the Company reported a net loss before comprehensive loss of \$303,841 compared to a net loss of \$652,936 during the same quarter last year, a decrease in net loss of \$349,095 primarily due to a decrease in general administration expenses of \$361,330.

The decrease in administration expenses was primarily a result of decreases in consulting fees of \$7,768, director's fees of \$10,000, marketing expenses of \$23,479, office and miscellaneous of \$7,869, share-based compensation of \$308,602 and travel and promotion of \$13,529.

Consulting fees decreased as a result of a decrease in corporate consulting services provided by VP of Exploration of the Company that included preparation of corporate presentations, attendance at industry

ZincX Resources Corp. **(formerly Canada Zinc Metals Corp.)**

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

events, investor meetings and review of potential business opportunities. The majority of services provided by the VP of Exploration during the current quarter were directly related to the exploration activities of the Company and were capitalized as exploration and evaluation costs (please see section Transaction with Related Parties below).

There were no fees paid to directors of the Company during the current quarter compared to \$10,000 paid during the third quarter last fiscal year.

Office expenses decreased by \$7,869 primarily due to a decrease of development costs for design and upgrade of the Company's corporate website that were completed in the third quarter of fiscal 2018.

Share-based compensation was significantly higher during the quarter ended March 31, 2018 as a result of 1,380,000 stock options granted to employees and consultants of the Company in February 2018. There were no stock options granted during the current quarter ended March 31, 2019.

Liquidity and capital resources

The Company's working capital position remains strong with cash of \$1,146,868 and GIC investments of \$2,533,500 as at March 31, 2019. Management believes that the Company has sufficient funds to meet its current obligations as they become due and to fund its exploration projects and administrative overhead for the next twelve months.

At March 31, 2019, the Company reported working capital of \$3,424,592 compared to working capital of \$4,789,053 at June 30, 2018, representing a decrease in working capital of \$1,364,461. The decrease in working capital was a result of redemption of the Company's GIC investments to fund general administration expenses and exploration activities of the Company, partially offset by proceeds of the flow-through private placements closed during the period.

Cash deposits decreased by \$2,012 from \$1,148,880 at June 30, 2018 to \$1,146,868 at March 31, 2019.

During the nine months ended March 31, 2019, the Company utilized its cash and cash equivalents as follows:

- (a) the Company used \$1,403,450 of its cash in operating activities compared to \$1,351,569 during the same period last year;
- (b) exploration expenditures during the period were \$1,586,504 compared to \$2,547,348 during the same period in fiscal 2018;
- (c) In January 2018, \$445,598 was received from Teck in lieu of exploration expenditures on the Pie Properties project required to be incurred to exercise the First Option pursuant to the Option Agreement. There were no similar payments during the current fiscal year;
- (d) \$1,519 was spent for renewal of a geological software license and purchase of office furniture compared to \$30,363 spent on the purchase of camp fixtures and office furniture during the same period last year;
- (e) there were no sales or purchases of marketable securities as compared to the same period in fiscal 2018 when the Company generated \$58,525 on the sales of marketable securities;
- (f) the Company redeemed \$1,496,234 (2018 – invested \$200,000) from its GIC investments to fund the exploration program and received interest of \$18,821 (2018 – \$10,492) on the redemption;
- (g) \$1,391,790 (2018 - \$1,521,773) was raised in the private placements, all of which committed to flow-through agreements with investors. \$74,109 (2018 - \$100,903) was paid in share issuance costs in connection with the private placements;
- (h) aggregate of 142,500 stock options were exercised by employees and consultants of the Company for

ZincX Resources Corp. (formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

total gross proceeds of \$36,025 (2018 - \$2,300);

(i) 220,000 share purchase warrants were exercised for total gross proceeds of \$121,000 (2018 - \$Nil); and

(j) no common shares of the Company were repurchased under the NCIB during the period (2018 - \$3,508).

The Company's current assets excluding cash consisted of the following:

	March 31, 2019	June 30, 2018
Government sales tax credits	\$ 12,829	\$ 44,750
Interest accrued on reclamation deposits	4,039	421
Prepaid expenses	35,064	65,439
Loan receivable including interest	-	118,466
Marketable securities at fair value	39,800	57,150
GIC investments including interest	2,533,500	4,004,314

The \$100,000 loan receivable was advanced under a promissory note bearing interest at a rate of 10% per annum with an original 6-month term that was extended for an additional 12 month period until February 25, 2018. After February 25, 2018, management agreed to extend the repayment of the loan and the accumulated interest until the debtor finalizes a significant financing that is currently awaiting completion. The loan and the accumulated interest remained unpaid as at December 31, 2018 and as of the date of this MD&A. During the nine months ended March 31, 2019, management of the Company made the assessment of the credit risk on the loan and recognized a loss allowance of \$125,973 (2018 - \$Nil) against the amount of the loan principal and accumulated interest.

The Company holds a few GIC investments with the principal amount totalling \$2,503,767 yielding average fixed interest rates of 2.26%, one of which has a value of \$1,000,000 and is non-redeemable until June 1, 2019. At March 31, 2019, the GIC investments accumulated interest of \$29,733.

Current liabilities as at March 31, 2019 consisted of trade payables and accrued liabilities of \$38,132 (June 30, 2018 - \$417,914), due to related parties of \$16,743 (June 30, 2018 - \$Nil) and a flow-through premium liability of \$292,633 (June 30, 2018 - \$232,453) recorded in connection with the recently completed November-December 2018 flow-through private placements. The flow-through premium liability does not represent cash liability to the Company and will be fully amortized by December 2019 after the Company incurs qualifying flow-through exploration expenditures of \$1,391,790.

The other sources of funds potentially available to the Company are through the exercise of outstanding stock options. See Item 1.15 – Other Requirements – Summary of Outstanding Share Data. There can be no assurance, whatsoever, that any or all these outstanding exercisable securities will be exercised.

The Company has and may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund its future operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The Company's overall success will be affected by its current or future business activities. The Company is currently in the process of acquiring and exploring its interests in resource properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable. The continued operations of the Company and the recoverability of expenditures incurred in these resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining

ZincX Resources Corp.
(formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

The Company is exposed in varying degrees to a variety of financial instrument related risks, including price risk with respect to commodity and equity prices. The Company closely monitors certain commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. For further discussion of financial risks, please refer to Note 16 of the condensed consolidated interim financial statements for the nine months ended March 31, 2019.

Transactions with related parties

The remuneration of directors and other key management personnel during the nine months ended March 31, 2019 and 2018 were as follows:

March 31,		2019		2018
Bonuses (iv)	\$	30,256	\$	42,084
Consulting fees (iv)		11,250		11,250
Directors fees (ii)		20,000		30,000
Exploration and evaluation expenditures (geological consulting) (v)		112,500		112,500
Management fees (i)		265,500		265,500
Other employment benefits (vii)		22,969		22,227
Share-based compensation (vi)		–		3,130
Total	\$	462,475	\$	486,691

- (i) Pursuant to a management and administrative services agreement amended effective July 1, 2011 and May 1, 2014 with Varshney Capital Corp. (“VCC”), a company with two common directors, Peeyush Varshney and Praveen Varshney, the Company agreed to pay monthly management and administrative fees of \$29,500 and \$5,000, respectively.

During the nine months ended March 31, 2019, the Company paid \$265,500 (2018 – \$265,500) for management fees and \$45,000 (2018 – \$45,000) for administrative fees to VCC;

- (ii) the Company paid \$20,000 (2018 - \$30,000) in directors’ fees to four directors of the Company - John Thomas, Marco Strub, Peeyush Varshney and Praveen Varshney;
- (iii) the Company paid \$30,256 (2018 - \$42,084) in bonuses to VCC;
- (iv) the Company paid \$11,250 (2018 - \$11,250) for consulting fees to Sircon AG, a company controlled by Marco Strub, a director of the Company ;
- (v) the Company paid or accrued exploration and evaluation costs of \$112,500 (2018 - \$112,500) for geological consulting fees to to Ridgeview Resources Ltd., a company controlled by Ken MacDonald, VP of Exploration of the Company, of which \$97,658 (2018 - \$85,312) was capitalized as exploration and evaluation costs and \$14,842 (2018 - \$27,188) was expensed as consulting fees;
- (vi) share-based compensation is the fair value of share options that have been granted to directors and executive officers and the related compensation expense recognized over the vesting periods; and

ZincX Resources Corp. **(formerly Canada Zinc Metals Corp.)**

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

- (vii) other employment benefits included life insurance and health benefits for the CEO and health benefits for the CFO of the Company.

As at March 31, 2019, \$16,743 (June 30, 2018 - \$Nil) was due to the CEO and the CFO of the Company for reimbursement of regulatory filing fees, legal fees and promotional expenses. The amounts were paid subsequent to March 31, 2019.

Changes in accounting policies

IFRS 9 - Financial Instruments ("IFRS 9")

As at July 1, 2018, the Company adopted all of the requirements of IFRS 9, which replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and a new "expected credit loss model" for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The standard was effective for annual periods beginning on or after January 1, 2018.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is substantially unchanged.

As a result of adopting this standard, the Company has changed its accounting policy for financial assets retrospectively, for assets that were recognized at the date of application. An assessment has been made and the impact to the Company's consolidated financial statements was to reclassify its available-for-sale marketable securities to fair value through profit or loss. The Company adopted IFRS 9 retrospectively without restatement of comparative amounts resulting in a reclassification of \$6,731 from accumulated other comprehensive loss to deficit on July 1, 2018. Future changes in the fair value of these marketable securities will be recorded directly in profit or loss. No other differences of any significance have been noted in relation to the adoption of IFRS 9.

The following are new accounting policies for financial assets under IFRS 9. All other aspects of our accounting policies for financial instruments as disclosed in Note 2 to the audited consolidated financial statements for the year ended June 30, 2018 are unaffected.

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

ZincX Resources Corp.
(formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on de-recognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

The Company completed an assessment of its consolidated financial instruments as at July 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	<i>Original classification</i> IAS 39	<i>New classification</i> IFRS 9
Financial assets		
Cash	Financial assets - FVTPL	Financial assets - FVTPL
Receivables	Loans and receivables - amortized cost	Loans and receivables - amortized cost
Loan receivable	Loans and receivables - amortized cost	Loans and receivables - amortized cost
Marketable securities	Available-for-sale – FVTOCI	Financial assets - FVTPL
Investments	Financial assets - FVTPL	Financial assets - FVTPL
Financial liabilities		
Trade payables and accrued liabilities	Other financial liabilities - amortised cost	Other financial liabilities - amortised cost

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

On July 1, 2018, the Company adopted IFRS 15, which supersedes IAS 18 – Revenue ("IAS 18"). IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018.

The Company is a junior mining exploration company and it currently does not generate any revenue from contracts with customers. Therefore, the adoption of this standard did not have any significant impact on the

ZincX Resources Corp.
(formerly Canada Zinc Metals Corp.)

Interim MD&A - Quarterly Highlights

For the nine months ended March 31, 2019 and 2018

Company's interim financial statements.

IFRS 16 – Leases ("IFRS 16")

IFRS 16, Leases, new standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Summary of outstanding share data as at May 29, 2019:

(1)	Authorized: Unlimited common shares without par value	
(2)	Issued and outstanding:	169,319,375
(3)	Share options:	10,170,000

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Peeyush Varshney"

Peeyush Varshney
Director, President & CEO