
The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of ScoZinc Mining Ltd. ("ScoZinc" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance as at and for the twelve months ended December 31, 2017. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2017 together with the notes thereto. Information contained herein is presented as at April 30, 2018, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of ScoZinc's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

ScoZinc is a Canadian based zinc-lead exploration and mine development company with mineral deposits and mineral processing facilities in Nova Scotia, Canada.

OUTLOOK

During 2015 and 2016, the Company undertook additional initiatives to reduce its cash operating expenses, including further staff reductions and a significant reduction in fees paid to the Company's directors and officers. The effects of these cost cutting initiatives started to be realized in the fourth quarter of 2015 and, overall, the Company has achieved a marked decline in operational expenditures by substantially reducing the care and maintenance costs associated with the ScoZinc Mine.

As part of the care and maintenance program, an ongoing objective of the Company is to maintain all of the key permits, mineral claims, and other approvals necessary to proceed with the restart of the ScoZinc Mine. In the fourth quarter of 2016, the Company initiated discussions with the Nova Scotia departments of the Environment and Natural Resources for the renewal of the industrial approval for Mineral Lease 10-1 that contains the ScoZinc Mine. The industrial approval expired in February 2017 and was renewed for a period of 10 years in September 2017. Similarly, the environmental assessment for the proposed expansion of the southwest side of the Main Pit expired in October 2017 and the Company received a one-year renewal during the fourth quarter of 2017.

The Company is in the process of securing the necessary financing for restarting operations at its 100%-owned ScoZinc Mine, which has been on care and maintenance since the third quarter of 2013.

As of the date of this document, the Company had a cash balance of approximately \$500,000.

At the Annual Meeting in June 2017, the shareholders voted in favour of re-electing two current members of the Board of Directors, Victor Lazarovici (Chairman of the Board) and Louis Montpellier, along with two new directors, Michael Surratt and Christopher Hopkins.

Mr. Surratt has over 35 years of international mining experience in developing, building and operating mining projects with companies including Mercator Minerals, Miramar Mining and Santa Fe Gold. He was the construction manager for numerous mine construction projects, expansion projects, and restart of operations, with a combined value of over \$2 billion. He is currently a consultant to the mining industry

specializing in acquisitions, evaluations, feasibility study oversight, construction, and start-up of operations, and operations optimization. Mr. Surratt holds a B.Sc. in Geology (1975).

Mr. Hopkins has over 25 years of financial management experience in the resources industry. He has spent most of his career in senior roles with public mining companies including Kerr Mines Inc, U.S. Silver, Rio Algom, BHP Billiton, Suncor and several Canadian and international junior mining companies. He has broad junior resource experience in the areas of corporate finance, capital markets, mergers and acquisitions, valuations, strategic planning, investor relations, financial and management reporting. He has a Bachelor of Commerce from the University of Toronto, and a Chartered Accountant designation and MBA from the Schulich School of Business at York University. Mr. Hopkins is currently the CFO of Kerr Mines and held other senior roles including the CFO of Monarch Energy and CEO of Champagne Resources.

PROPERTY INFORMATION, COMPLETED ACTIVITIES AND OUTLOOK

ScoZinc Mine

On May 31, 2011, the Company completed the \$10 million acquisition of all shares and assets of ScoZinc Limited, including the ScoZinc Mine in Nova Scotia, an extensive mineral claims package that is subject to a mineral royalty to the Government of Nova Scotia and other royalties on certain other mineral interests. A portion of the gross sale proceeds was paid directly to the Government of Nova Scotia to increase bonding requirements for an amended reclamation and closure plan for the ScoZinc Mine and to pay all outstanding production royalties to the Government of Nova Scotia that were payable prior to the closure of the ScoZinc Mine in 2009. Since the mine's closure, the key permits, mineral claims, and other approvals necessary to proceed with a restart have been maintained or renewed.

In October 2011, the Company completed a 4,940-metre, 39-hole drill program at the ScoZinc Mine site to better define mineral resources adjacent to the Main Pit and improve confidence in the block model. The results of the drill program provided a basis to re-assess the block model used in an independent preliminary economic assessment ("PEA") report dated October 7, 2011. Subsequently, a new inventory of mineral resources was published in a technical report to NI 43-101 standards on October 9, 2012.

In the first quarter of 2012, the Company completed an airborne geophysical survey of its exploration properties in Nova Scotia using the helicopter-borne Versatile Time Domain Electromagnetic system. The work area covered geological strata that contain former producing mines, such as Walton Mine, Smithfield Mine, and Mindamar (Stirling) Mine. Following the initial findings of the survey, the Company expanded the survey to include its mineral claim holdings in the Musquodoboit area along an interpreted northeast extension of the favourable carbonate reef structures that host the Gays River and Getty deposits. As a result of this survey, exploration targets were identified for future exploration fieldwork.

In the first, second, and fourth quarters of 2013, the Company's geologic personnel completed soil sampling programs on exploration licenses and claim blocks held within Nova Scotia and Cape Breton. The purpose of the soil sampling program was to follow up and evaluate certain high-priority geophysical targets identified from the 2012 airborne geophysical survey. In addition, expenditures incurred from the soil surveys were utilized to fulfill the annual assessment requirements needed to keep the claims and licenses in good standing. All work was conducted in areas underlain by favourable geologic lithologies known to host zinc-lead mineralization as exemplified by former producing mines.

On May 18, 2012, the Company received approval from the Government of Nova Scotia for an amended Industrial Approval to develop the southwest side of the Main Pit (the "SW Expansion"). As a result and as of that date, ScoZinc had all of the necessary permits and approvals to proceed with mining operations at

the Main Pit and the SW Expansion. Additional reclamation and closure bonding would be required before the Company can develop the SW Expansion.

On December 21, 2012, the Company reported an update to the PEA technical report published in the October 7, 2011. The updated PEA was based on the Mineral Resource disclosed on October 9, 2012 that reported a 55% increase in Measured Mineral Resources and 65% increase in Indicated Mineral Resources in the Main and Northeast pits relative to the Mineral Resource utilized in the prior PEA. The study outlined a conceptual mine life of more than seven years from the Main and Northeast open pits only, whereas the previous PEA reported a similar mine life but also considered the inclusion of the Company's nearby Getty deposit.

A second update to the PEA was published in June 2013 that incorporated the results of a metallurgical test work program completed in the second quarter of 2013. This updated PEA also considered the inclusion of a small underground mining operation to extract higher grade mineralization beneath the Gays River, which separates the Main and Northeast deposits. A summary discussion of that revision to the PEA is provided in the Company's June 11, 2013 news release.

The Company cautions that PEAs are, by definition, preliminary in nature and include Inferred mineral resources that are considered geologically too speculative to be subject to economic considerations that would enable them to be categorized as mineral reserves. There is no certainty that the forecasted results stated in a PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For additional information, please consult the relevant technical reports, which are available on SEDAR (www.sedar.com).

In the third quarter of 2013, the Company's Board of Directors conducted an in-depth review of the ScoZinc Mine and its exploration portfolio (collectively, the "ScoZinc Project"), the outlook for commodity prices, and the current environment for financing mining operations. Based upon the findings of this review, the Board determined that the ScoZinc Project is a valuable asset. However, in light of the uncertain prevailing environment for metal prices and mine development financing at that time, the Board decided to suspend the restart of the ScoZinc Mine and place the project on care and maintenance in order to preserve its value and reduce Company expenditures.

Since placing the ScoZinc Mine on care and maintenance, the Company has been conducting exploration field programs on its claims in Nova Scotia and Cape Breton. This work is to maintain the Company's key mineral claims in good standing. The Company has also dropped a number of low-priority mineral claims that are distal to the ScoZinc Mine as part of its ongoing cost reduction initiatives.

As part of the care and maintenance program, an ongoing objective of the Company is to maintain all of the key permits, mineral claims, and other approvals necessary to proceed with the restart of the ScoZinc Mine. In the fourth quarter of 2016, the Company initiated discussions with the Nova Scotia departments of the Environment and Natural Resources for the renewal of the industrial approval (the "IA") for Mineral Lease 10-1 that contains the ScoZinc Mine. The IA which expired in February 2017 was renewed in September 2017 for an additional 10 years. Similarly, the environmental assessment which expired in October 2017 was renewed for an additional one year.

In the fourth quarter of 2017 the Company initiated an independent update to the Preliminary Economic Assessment based on a more detailed mine plan, contract mining with bids from major Nova Scotia contractors, updated capital costs, and updated milling and other operating costs. Results of the study were disclosed in a news release dated December 19, 2017. As the study showed robust economics for the restart of operations, necessary key permits were in place, and a favorable metal price and exchange rate environment was expected for the foreseeable future, the Company initiated efforts to raise funds for restarting operations.

As of the date of this document, the Company has selected the mining and drill blast contractors for mining operations and an offtaker for the zinc and lead concentrates. Additional details are provided in the news releases dated February 14, 2018 and April 3, 2018.

SELECTED ANNUAL INFORMATION

The following selected annual financial data derived from the audited consolidated financial statements of the Company as at December 31, 2017, 2016, and 2015:

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Net loss	(\$1,262,016)	(\$973,618)	(\$1,853,048)
Net loss per share	(\$0.32)	(\$0.25)	(\$0.47)
	As At December 31, 2017	As At December 31, 2016	As At December 31, 2015
Total Assets	\$18,209,693	\$19,305,598	\$20,261,456

Results of Operations for the Year Ended December 31, 2017 vs. Year Ended December 31, 2016

The loss from operating activities during the year ended December 31, 2017 was \$1,262,016, compared to the loss of \$973,618 incurred during the comparative year ended December 31, 2016, representing a variance of \$288,398, primarily driven by an increase of consulting expense of \$141,373 as a result of the utilization of executive support and third party consultants resulting from work associated with the Company's preparation for the recommissioning of the ScoZinc project during the current period, and an increase in stock based compensation expense of \$102,067 resulting from the granting of 174,000 more options in 2017 as compared to the prior year. Office and general expense increased by \$71,331 compared to the prior year, primarily as a result of a one-time insurance premium recovery in the prior year associated with the negotiation of more favourable insurance premiums. The Company continues to focus on cost efficiency where practical as it prepares to recommission the Scozinc mine.

On February 22, 2017, the Company sold its investment in Savant Explorations Limited. A total of 10,103,334 common shares were sold for net proceeds of \$201,481, resulting in a gain on disposition of \$49,932.

SUMMARY OF QUARTERLY RESULTS

The selected financial information is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Amounts are expressed in thousands of Canadian dollars, except for loss per share, which is rounded to the nearest cent.

	Dec 31 2017	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016	Sep 30 2016	Jun 30 2016	Mar 31 2016
Interest income	12	14	15	15	14	9	16	19
Loss for the period	(421)	(365)	(276)	(200)	(317)	(142)	(201)	(314)
Loss per share	(0.11)	(0.09)	(0.07)	(0.05)	(0.08)	(0.04)	(0.05)	(0.08)

RESULTS OF OPERATIONS

Results of Operations for the Three Months Ended December 31, 2017 vs. Three Months ended Three Months Ended December 31, 2016

The loss from operating activities in the fourth quarter of 2017 was \$420,583, compared to the loss of \$317,088 incurred during the comparative three months ended December 31, 2016, representing a variance of \$103,495, primarily driven by an increase in stock based compensation expense resulting from the grant of options in the third quarter, and an increase in utilization of executive support and third party consultants during the current period.

Consulting expenses increased to \$96,306 in 2017 from \$41,885 in 2016 as the Company incurred additional charges for executive support and third party consultants flowing from the update of the Company's preliminary economic assessment in preparation for recommissioning the ScoZinc project.

Legal and accounting fees increased to \$69,344 in 2017 from \$43,676, in 2016, driven by general corporate and strategic matters.

Salaries and benefits declined by \$17,709 over the comparative year, in large part to a further reduction of on-site mine staff early in fiscal 2017. Staffing schedules were also subjected to review and streamlined during fiscal 2016.

Office and general saw a \$42,778 increase to \$67,204 for fiscal 2017 from \$43,676 in 2016, consistent with the increased consumables and support associated with the preliminary economic assessment.

Stock-based compensation increased to \$46,917 during the three months ended December 31, 2017, compared to \$5,166 in the three months ended December 31, 2016, reflective of the graded recognition of the value of stock options granted to new and existing officers and directors during 2017.

Overall, the Company had an increase in operational expenditures over the comparative three months ended December 31, 2016, as the Company shifts its focus from pure care and maintenance to prepare for recommissioning. Management continues to place emphasis on keeping costs low while preserving the asset base of the Company. As the Company moves further toward recommissioning, operational costs and use of third party consultants will continue to increase.

LIQUIDITY AND CAPITAL RESOURCES

The Company's significant assets consist of cash, property, plant and equipment, and exploration and evaluation assets associated with ScoZinc Project.

As at December 31, 2017 the Company reported working capital of \$965,792 (December 31, 2016 - \$2,198,682) and had sufficient capital resources to meet its immediate obligations. It does not currently have sufficient liquidity to fund operational expenses for the year, or to execute its mine restart plan. Additional liquidity will be required and is currently under negotiation. The timing and ability of the Company to meet future needs will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource-based junior companies, in addition to the results of the Company's exploration programs. These factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern, as disclosed in Note 1 of the Company's financial statements.

On February 13, 2018, the Company closed a non-brokered private placement financing for aggregate gross proceeds of \$397,500 for working capital purposes.

The Company has no credit facilities with financial institutions. As of the date of this document, the Company's financial instruments consist of cash, amounts receivable, marketable securities, cash held for reclamation, accounts payable and accrued liabilities, and amounts due to related parties.

RISK FACTORS

The operations of the Company may require licenses and permits from various local, provincial, and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out mineral exploration, development, or mining operations at its project.

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any minerals discovered. The prices of mineral have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, geopolitical conflicts, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, and worldwide production levels. The effect of these factors cannot accurately be predicted.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and while retaining ultimate responsibility for them, it has delegated the authority for designing policies and systems that ensure the effective execution of the objectives and policies to the Company's finance function.

(a) **Market Risk**

Market risk is the risk that changes in market prices will affect the fair value of future cash flows of a financial instrument. Market prices are comprised of four types of risk: Currency risk, interest rate risk, commodity price risk, and equity price risk. With the sale of the Company's investment in common shares of Savant, it no longer has equity price risk.

Currency Risk

Currency risk is the risk that fluctuation in exchange rates between the Canadian dollar or other foreign currencies will affect the Company's financial results. The Company's operations and financing activities are conducted primarily in Canadian dollars and as a result, it is not currently exposed to significant foreign currency risk. However, the Company may be exposed to currency risk in the future as the prices for the metals produced by the Company's ScoZinc Mine, which is currently in care-and-maintenance, are sold throughout the world based principally upon the United States dollar price. The appreciation of the Canadian dollar against the United States dollar may reduce the Company's future revenues relative to the costs at the Company's operations, making such operations less profitable. As a result, currency fluctuations may affect its future operations, operating results, and cash flows when the ScoZinc Mine is restarted.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate

because of changes in the market interest rates. The Company is exposed to interest risk arising primarily from its cash held mainly in short-term interest bearing accounts with Canadian chartered banks. The impact of a change in interest rates is not significant.

Commodity Price Risk

The success of the Company's ScoZinc Mine and its other properties will be primarily dependent on the future price of zinc and lead. Metal prices have historically been subject to significant price fluctuation. No assurance may be given that metal prices will remain stable and significant reductions or volatility in metal prices may have an adverse effect on the Company's business, including the economic attractiveness of the Company's projects, the Company's ability to obtain financing and the amount of the Company's revenue or profit or loss. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, and increases or decreases in production due to improved mining and production methods. The Company does not currently have an operating mine and does not have any derivative commodity contracts or other commodity based risks in respect of operations.

(b) Credit Risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. To minimize credit risk, cash is deposited in a Canadian chartered bank and may be redeemed on demand and cash held for reclamation is held by government authorities where credit risk is minimal. Amounts receivable primarily consists of GST/HST refunds amounting to \$36,549 from the Canadian government. The Company monitors the collectability of its amounts receivable and has not had difficulty collecting amounts receivable. Consequently, management considers credit risk to be minimal.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. The Company reviews its expenditure budgets against actual expenditures routinely to ensure there is sufficient working capital to discharge all financial obligations.

OFF BALANCE SHEET ARRANGEMENTS

The Company is also committed under the terms of a Harbour lease in Nova Scotia for annual lease obligations totalling \$4,500 per annum to March 2018. As of the date of the document, the Company is in the final stages of renewing this lease.

CONTINGENCY

On August 18, 2011, the Company engaged First Securities AS ("First") of Oslo, Norway to act as its agent to arrange a minimum of US\$30 million of debt financing for the ScoZinc Project. First terminated the engagement and claims that it is due its costs and a fee of US\$1,050,000 because of the termination. The Company has paid First costs under the engagement and has informed First that it disputes the claim for fees. As of the date of this document, the dispute is a claim and may be settled by arbitration. Management has determined that an outflow of resources is not probable; therefore, a provision has not been recognized in the consolidated financial statements.

DECOMMISSIONING LIABILITY

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations as set out below.

The Company has agreed with the Province of Nova Scotia (Department of Natural Resources) to remediate the ScoZinc mine facility to an agreed status at the end of the mining operations at the site; as a result the Company is required to make reclamation deposits in respect of this obligation. As at December 31, 2017, a \$2,798,620 (December 31, 2016 – \$2,767,427) cash bond, including accrued interest, is posted with the Province of Nova Scotia.

In addition, the Company has a reclamation bond with the Nova Scotia Department of Environment for \$185,120 (December 31, 2016 – \$183,110), including accrued interest, which is required to address the potential replacement of domestic water supplies that could potentially be downgraded by mining operations.

Nova Scotia Business Inc. holds a reclamation bond in the amount of \$100,000 (December 31, 2016 - \$100,000) in relation to the land, which the Company leases from the organization in Sheet Harbour. The bond will be held until the current lease agreement expires.

DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that:

- (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and
- (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

-
- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's consolidated financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The consolidated financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the consolidated financial statements are presented fairly in all material respects.

CURRENT GLOBAL FINANCIAL CONDITIONS AND TRENDS

Securities of mining and mineral exploration companies, including the common shares of the Company, have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also significantly affected by short-term changes in commodity prices, base metal prices or other mineral prices, currency exchange fluctuation and the political environment in the countries in which the Company does business. As of December 31, 2017, the global economy continues to be in a period of significant volatility, in large part due to Asian, European, and American economic concerns that have impacted global economic growth, although the zinc market has been favourable, and the outlook is strong.

POTENTIAL DILUTION

The issue of common shares of the Company upon the exercise of stock options and/or the warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

DEPENDENCE ON KEY PERSONNEL

The Company's business and operations are dependent on retaining the services of a small number of key personnel. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these people. The loss of one or more of these key people could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key people.

PROPOSED TRANSACTIONS

There is no imminent decision by the Board of Directors of the Company with respect to any transaction beyond what is contemplated in this document.

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Except as noted, amounts with related parties are non-interest bearing, unsecured, payable on demand and have arisen from the provision of services and expense reimbursements described.

Key Management Personnel Compensation

Management and key personnel compensation is as follows:

Current Board of Directors, Officers and Key Management Personnel	Year Ended December 31, 2017	Year Ended December 31, 2016
Victor Lazarovici - Director	\$ 25,000	\$ 25,000
Jeremy Link – Director	11,401	25,000
Louis G. Montpellier – Director	25,000	25,000
Jad Fakhry – Director	11,401	12,708
Christopher Hopkins - Director	13,599	Nil
Michael Surratt	13,599	Nil
Joe Ringwald – Chief Executive Officer	117,713	59,099
Robert Suttie – Chief Financial Officer	36,510	42,520
Share-based Compensation	166,523	37,761
Totals	\$ 420,746	\$ 227,088

Transactions with key management personnel comprise compensation of key management personnel as follows:

During the year ended December 31 2017, the Company expensed \$96,074, (2016 - \$94,961) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

- (i) Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the Company;
- (ii) Bookkeeping and office support services;

-
- (iii) Regulatory filing services; and
 - (iv) Corporate secretarial services.

Marrelli Support is also reimbursed for out of pocket expenses.

As at December 31, 2017, amounts due to related parties totaled \$57,692 (2016 - \$61,794) pertaining to amounts payable for key management remuneration, directors fees, support services from the Marrelli Group, and reimbursement of expenses paid on behalf of the Company.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

EVENTS OCCURRING AFTER THE REPORTING DATE

On February 13, 2018, the Company announced it had closed a non-brokered private placement financing for aggregate gross proceeds of \$397,500 (the "Offering"). The Offering consisted of the sale of 264,999 common shares at a price of \$1.50 per common share. The securities issued pursuant to the Offering were subject to a four month and one day statutory hold period. An officer of the Company participated in the Offering and acquired 35,000 common shares.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Financial statements in conformity with IFRS require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates. A full description of the Company's significant accounting policies may be found in Note 3 of the Company's December 31, 2017 audited consolidated financial statements. A summary of the Company's critical accounting estimates is set out below.

Income Taxes

Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. 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. Assessing the recoverability of deferred tax assets requires management to exercise judgment and make assumptions about future taxable profit.

Exploration and Evaluation Assets

The Company reviews capitalized costs on its property interests on a periodic, or annual, basis and will determine whether any persuasive evidence exists that indicates impairment. In assessing impairment of exploration and evaluation properties, management makes certain assumptions about whether the exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale.

Decommissioning Liability

The Company conducts its operations in compliance with applicable laws and regulations governing protection of the environment. Reclamation and remediation obligations arise throughout the life of the ScoZinc Mine. The Company estimates future reclamation costs based on the level of current activity and estimates of costs required to fulfill its future obligations.

Depreciation

Mobile and other equipment is depreciated, net of estimated residual value, on a straight-line basis, over the useful life of the equipment. The computation of amortization involves significant judgement in the determination of useful life and residual value and no assurance can be given that current assumptions will not differ from actual useful lives and residual values.

Recent Accounting Pronouncements

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Aside from changes in terminology to describe financial instruments, the Company expects that the adoption of this standard will not significantly impact its financial statements
- IFRS 15 Revenue from Contracts with Customers – The IASB issued IFRS 15 to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 also includes a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. This standard will not impact the financial statements on adoption as the Company is not generating operating revenues.

FINANCIAL AND OTHER INSTRUMENTS

The carrying values of cash, amounts receivable, cash held for reclamation, accounts payable and accrued liabilities, and amounts due to related parties approximate their fair value due to the short-term nature of these instruments, or in the case of reclamation deposits, the rate of interest being applied on the funds deposited.

Other than those described above, the Company does not own, hold or have any material interest in, or liability associated with, any other financial instrument. For a full description of the Company's financial instruments, and policies utilized therein, please refer to Note 17 of the Company's December 31, 2017 audited consolidated financial statements.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value, unlimited number of Class A preferred shares with no par value, and an unlimited number of Class B preferred shares with par value of \$10.00 per share. No Class A or B preferred shares have been issued.

Common Shares

As of the date of this document, there were 4,206,044 common shares outstanding and no warrants outstanding.

Share Purchase Options

As of the date of this document, there were 339,000 stock options outstanding with a weighted average exercise price of \$1.40, expiring between February 19, 2020 and July 13, 2022.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additions to the ScoZinc project exploration and evaluation asset for the year ended December 31, 2017 consist of \$28,019 of geological fieldwork (2016 - \$24,512), land permit and claims fees of \$51,982 (2016 - \$23,546), and associated labour and consulting fees of \$188,507 (2016 - \$35,421).

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR (www.sedar.com) and on the Company's website at www.ScoZinc.com.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the closing of the Transaction, the future price of metals, the estimation of Mineral Reserves and Resources, the realization of Mineral Reserve and Resource estimates, the timing and amount of estimated future production, costs of production and capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the possibility of title disputes or claims, limitations on insurance coverage, and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might" or "will be taken," "occur" or "be achieved."

Forward-looking statements and other information contained in this MD&A concerning the mining industry and our general expectations concerning the mining industry are based on estimates prepared by us using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which we believe to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While we are not aware of any misstatements regarding any industry data presented in this MD&A, the mining industry involves risks and uncertainties and is subject to change based

on various factors. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things, our ability to carry on exploration and development activities, the timely receipt of required approvals, the price of zinc, lead and other metals, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may have been used.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to operations; risks associated with current exploration and development activities; uncertainties associated with conclusions of economic evaluations; changes in project parameters as plans continue to be refined; assumptions related to the future prices of metals; possible variations in Mineral Reserves or Mineral Resources, the grade of contained metals or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; and risks related to joint venture operations. Although we have attempted to identify important factors that could affect us and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this MD&A to reflect the occurrence of unanticipated events save and except as required by applicable securities laws.