



**INTERNATIONAL PROSPECT VENTURES LTD.**

(formerly Uranium Valley Mines Ltd.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2017**

**DATED APRIL 2, 2018**

# **International Prospect Ventures Ltd.** (formerly Uranium Valley Mines Ltd.)

Management's discussion and analysis for the year ended December 31, 2017

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## **SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS**

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of April 2, 2018, and complements the audited financial statements of International Prospect Ventures Ltd. ("IPV" or the "Company"), for the year ended December 31, 2017 and December 31, 2016.

All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Company's audited financial statements for the year ended December 31, 2017.

The audited financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on April 2, 2018. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

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## **ABOUT INTERNATIONAL PROSPECT VENTURES LTD**

The Company, incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Quebec, J9P 7B6. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-D'Or, Quebec, J9P 0B9.

On October 26, 2017, the Company changed its name to International Prospect Ventures Ltd. ("International" or the "Company"). In addition, the Company has also received Exchange acceptance for its common shares to graduate from NEX and commence trading on Tier 2 of the TSX Venture Exchange. Effective on or about October 27, 2017, the Company's common shares commenced trading on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ" (previously trading on NEX under symbol VZZ.H).

The Company appointed Dr. Scott Jobin-Bevans as vice-president of exploration, effective March 5, 2018. Dr. Jobin-Bevans is also a director of the Company and will now contribute his expertise to both roles.

## **MINERAL PROPERTIES**

### The Porcupine Miracle Prospect

On July 3, 2014, and amended on July 4, 2016, the Company entered into a Mining Option Agreement with 2973090 Canada Inc., ("2973090") pursuant to which the Company had the option to acquire a 100% ownership interest in the Porcupine Miracle Prospect. The Porcupine Miracle Prospect is comprising of four (4) mineral claims located in the Langmuir Township in the province of Ontario, Canada. In consideration for the option, the Company had to issue a total of 200,000 common shares, incur exploration expenditures of \$50,000 and maintain the property in good standing. The property is subject to a royalty in favor of 2973090 equal to 3% of net smelter returns. An advance royalty payment of \$10,000 per annum is payable by the Company commencing on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

On July 13, 2017, the Company fulfilled all commitments and therefore acquired a 100% interest in the Porcupine Miracle Prospect.

The Company has designed an exploration program to be conducted on the Porcupine Miracle Prospect and adopted a \$52,619 budget for the execution of its Phase 1 program. Phase 1 of the exploration program includes: compilation of all available property data, ground magnetic, induced polarization and horizontal loop electromagnetic geophysical surveys.

### **Work performed**

Ground fieldwork is currently under way at the Porcupine Miracle Prospect. The exploration program consisted of establishing a grid over the property and conducting ground magnetic, induced polarization and horizontal loop electromagnetic geophysical surveys. Contingent on these results, a follow-up geological/structural mapping and prospecting and sampling program is planned.

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### Beartooth Island Prospect

The Company holds a 40% interest in the Beartooth Island Prospect located in the Athabasca Basin in the province of Saskatchewan. This property is the subject of an agreement with Ditem Explorations Inc. ("Ditem"). Ditem can acquire an additional 6% interest in the property by advising the Company of its intent to complete a feasibility study at its sole cost within the period of 6 years from the operative date, subject to and in accordance with the terms of the agreement. Following the final vesting, the Company will retain an aggregate of 34% undivided interest in the property. As of the date hereof, the Company retains a 40% interest therein on 2 mining claims; Ditem is the operator. At December 31, 2015, since no exploration work had been performed in the past years and the operator was not planning any work in the near future, the Company impaired its Beartooth Island Prospect.

### Otish/Mistassini Prospect - North Central Quebec

The Company owns a 100% interest in the Otish/Mistassini Prospect which comprises 51 mining claims located in the province of Quebec. This property was impaired in a previous fiscal year.

## **SELECTED FINANCIAL INFORMATION**

### **VALROC PTY LTD.**

On September 21, 2017, the Company entered into an agreement with Valroc PTY Ltd. ("Valroc"), a New South Wales company, located in Australia, pursuant to which the Company and Valroc will jointly acquire certain mining claims located in Western Australia, each with an undivided 50% interest. Valroc will be responsible for arranging to have had the claims acquired, registered and held in good standing. The Company will pay all of the costs of acquiring the claims, and other related costs including the costs of initial technical compilations and program reviews up to a maximum of \$120,000 to allow the Company and Valroc to consider establishing a proper joint venture arrangement on or around December 31, 2017. The Company and Valroc have staked eight tenements to date, in an area southeast of Karratha, Western Australia, covering a total area of approximately 927 square kilometres for a total amount of \$72,795 which is recorded as a deposit in the statement of financial position.

On December 12, 2017, the Company and Valroc entered into a binding share exchange agreement ("Valroc agreement") to acquire 100% interest in Valroc. Pursuant to the terms of the Valroc agreement, the owner of Valroc will exchange with the Company all of the issued and outstanding shares of Valroc for 1,600,000 common shares of the Company on the terms and conditions set forth in the Valroc agreement and Valroc will become a wholly owned subsidiary of the Company such that the Company will then own a 100% interest in the tenements upon the applications for such tenements being granted. Completion of the transactions contemplated by the Valroc agreement is conditional on the applications for the tenements being granted and acceptance by the TSX Venture Exchange.

The acquisition of Valroc does not meet the definition of a business combination under IFRS 3 Business Combinations as the primary assets acquired are the tenements. Accordingly, the purchase of Valroc's net assets will be an equity-settled share-based payment under IFRS 2 Share-based Payment once the conditions under the Valroc agreement are met.

In accordance with IFRS 2, equity instruments from this transaction will be recognized at fair value of net assets acquired. Net assets acquired consist in eight tenements which will be measured at the amount of the excess of the fair value of equity instruments deemed issued to Valroc at the time of completion and Valroc's net assets acquired.

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## FINANCIAL POSITION ANALYSIS

	December 31, 2017	December 31, 2016	December 31, 2015
		\$	\$
Assets	1,047,022	549,407	49,133
Liabilities	105,312	46,390	2,169
Equity	941,710	503,017	46,964

### ASSETS

Total assets at December 31, 2017 were \$1,047,022 compared to \$549,407 at December 31, 2016, an increase of \$497,615 mainly due to an increase in cash of \$269,565, prepaid expenses and deposits of \$85,473 and exploration and evaluation assets of \$83,370. The increase in cash is due to the exercise of 6,381,465 warrants for total proceeds of \$702,550 which served to fund the Company's operation. The increase in prepaid expenses and deposits is related to application fees paid for the acquisition of mining claims which have not been processed yet and the increase in exploration and evaluation assets are due to the expenditures incurred on the Porcupine Miracle Prospect.

### LIABILITIES

Total liabilities at December 31, 2017 were \$105,312 compared to \$46,390 at December 31, 2016, an increase of \$58,922. Accounts payable and accrued liabilities have increased by \$78,863 due to a settlement fee of \$60,000 accrued in connection with the termination agreement signed with Golden Valley Mines Ltd. ("Golden Valley") on January 1, 2018. This increase was however offset by the reversal of the remaining liability component related to the issuance of flow-through units of \$19,941 following the completion of all commitments related to the Flow-through private placement.

### EQUITY

Equity totalled \$941,710 at December 31, 2017 compared to \$503,017 at December 31, 2016, an increase of \$438,693 mainly due to the exercise of 6,381,465 warrants for total proceeds of \$702,550 and to share-based payments of \$228,047 recognized in connection with the grant of 2,510,000 stock options. However, these increases were offset by the net loss of \$491,477. Readers are invited to refer to the statement of changes in equity of the audited financial statements for more details.

## OPERATING RESULTS ANALYSIS

	Three-month period ended December 31, 2017	Three-month period ended December 31, 2016	Twelve-month period ended December 31, 2017	Twelve-month period ended December 31, 2016
	\$	\$	\$	\$
Revenue	-	-	-	-
Operating expenses	310,238	23,909	509,333	88,874
Other expenses (income)	1,741	10	(17,856)	(14)
<b>Net loss and comprehensive loss</b>	<b>311,979</b>	<b>23,919</b>	<b>491,477</b>	<b>88,860</b>
Basic and diluted net loss per common share	<b>0.017</b>	<b>0.001</b>	<b>0.024</b>	<b>0.007</b>

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### THREE-MONTH PERIOD ENDED DECEMBER 31, 2017 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2016

The net loss for the three-month period ended December 31, 2017 was \$311,979 or (\$0.017) per share, compared to \$23,919 or (\$0.001) per share for the same period in 2016, an increase of \$288,060 mainly due to the recognition of share-based payments (\$160,389) in connection with the grant of 595,000 stock options, to an increase in legal fees (\$52,093) and to the recognition of a settlement fee (\$60,000) in connection with the termination agreement concluded with Golden Valley Mines Ltd ("Golden Valley"). The increase in legal fees is due to fees incurred as part of the share exchange agreement signed with Valroc PTY Ltd. and to legal fees recharged by Golden Valley due to the termination of the mining option agreement for the acquisition of the Abitibi Greenstone Belt prospect. However, these increases were offset by a decrease in exploration and evaluation expenses (\$12,259).

### TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2017 COMPARED TO THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2016

The net loss for the twelve-month period ended December 31, 2017 was \$491,477 or (\$0.024) per share, compared to \$88,860 or (\$0.007) per share for the same period in 2016, an increase of \$402,617 mainly due to the recognition of share-based payments (\$228,047) in connection with the grant of 2,510,000 stock options, to an increase in accounting fees (\$16,123), legal fees (\$89,721), regulatory and transfer agent fees (\$10,036), investor relation fees (\$14,583) and to the recognition of a settlement fee (\$60,000) in connection with the termination agreement concluded with Golden Valley. The increase in legal fees is due in part to fees incurred in connection with the mining option agreement signed with Golden Valley for the acquisition of the Abitibi Greenstone Belt Prospect and to fees incurred regarding the annual general meeting. The increase in regulatory and transfer agent fees is directly attributable to the mining option agreement. These increases were offset by the reversal of the liability component related to the issuance of flow-through units (\$19,941) and by a decrease in exploration and evaluation expenditures (\$16,442).

### CASH FLOW ANALYSIS

	Three-month period ended December 31, 2017	Three-month period ended December 31, 2016	Twelve-month period ended December 31, 2017	Twelve-month period ended December 31, 2016
	\$	\$	\$	\$
Operating activities	(137,378)	(10,314)	(321,236)	(61,935)
Investing activities	(2,647)	(1,996)	(103,322)	(2,749)
Financing activities	270,656	174,854	694,123	564,854

### THREE-MONTH PERIOD ENDED DECEMBER 31, 2017 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2016

#### OPERATING ACTIVITIES

Operating activities required cash flows of \$137,378 compared to \$10,314 in 2016. This increase in the use of cash flows is mainly due to an increase in the net loss after non-cash items which went from \$23,919 in 2016 to \$151,590 in 2017.

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### INVESTING ACTIVITIES

Investing activities required cash flows of \$2,647 compared to \$1,996 in 2016. These cash flows are related to the exploration and evaluation expenses incurred on the Porcupine Miracle Prospect.

### FINANCING ACTIVITIES

Financing activities generated cash flows of \$270,656 compared to \$174,854 in 2016. In 2017, generated cash flows are related to the exercise of 2,146,800 warrants for total proceeds of \$279,084. In 2016, generated cash flows were related to the completion a non-brokered private placement for total proceeds of \$205,000.

### TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2017 COMPARED TO THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2016

#### OPERATING ACTIVITIES

Operating activities required cash flows of \$321,236 compared to \$61,935 in 2016. This increase in the use of cash flows is due to an increase in the net loss after non-cash items which went from \$88,860 in 2016 to \$283,371 in 2017. In addition, non-cash working capital items required cash flows of \$37,865 compared to generated cash flows of \$26,925 in 2016. The required cash flows of 2017 are related to tenement application fees paid for the acquisition of mining claims which have not been processed yet.

#### INVESTING ACTIVITIES

Investing activities required cash flows of \$103,322 compared to \$2,749 in 2016. These cash flows are related to the exploration and evaluation expenses incurred on the Porcupine Miracle Prospect.

#### FINANCING ACTIVITIES

Financing activities generated cash flows of \$694,123 compared to \$564,854 in 2016. In 2017, these cash flows are related to the exercise of 6,381,465 warrants for total proceeds of \$702,550. In 2016, the Company completed non-brokered private placements for total proceeds of \$595,000.

### QUARTERLY RESULT TRENDS (IN THOUSANDS OF \$)

The operating results for each of the last eight quarters are presented in the following table. Management considers that the information for each of those quarters was determined in the same way as for our audited financial statements for the year ended December 31, 2017.

	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-	-
Net loss	(312)	(109)	(18)	(53)	(24)	(22)	(24)	(19)	(214)
Basic and diluted net loss per common share	(0.017)	(0.005)	(0.001)	(0.003)	(0.001)	(0.002)	(0.002)	(0.002)	(0.019)

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## LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As of December 31, 2017, the Company had a cash position of \$801,117 and a working capital of \$843,866.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To preserve or modify its capital structure and to carry on the development of its mining properties, the Company may issue additional common shares or negotiate new loans.

Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months.

Readers are invited to refer to the Risk and Uncertainties section for more information.

## COMMITMENTS

Please refer to Note 15 of the audited financial statements for the Company's commitments.

## RELATED PARTY TRANSACTIONS

Please refer to Note 11 of the audited financial statements for the related party transactions.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## INFORMATION ON OUTSTANDING SECURITIES

The following table sets out the number of common shares and options outstanding as of the date hereof:

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<b>Common shares outstanding:</b>	25,103,128	
<b>Stock options outstanding:</b>	2,510,000	
Average exercise price of:	\$ 0.10	

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<b>Expiry date</b>	<b>Number of stock options outstanding</b>	<b>Exercise price</b>
		\$
July 10, 2027	1,915,000	0.05
December 12, 2027	595,000	0.265
	2,510,000	
<b>Fully diluted shares</b>	<b>27,613,128</b>	

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### **ACCOUNTING POLICIES**

The preparation of financial statements in accordance with IFRS requires management to adopt accounting policies and to make certain estimates and assumptions that the Company believes are reasonable based upon the information available at the time these decisions are made. In preparing these audited financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the audited financial statements for the year ended December 31, 2017.

Readers are invited to refer to Note 3 of the audited financial statements for the year ended December 31, 2017 for a full description of the significant accounting policies of the Company at that date.

### **RISKS RELATED TO FINANCIAL INSTRUMENTS**

Readers are invited to refer to Note 14 of the audited financial statements for the year ended December 31, 2017, for a full description of these risks.

### **RISKS AND UNCERTAINTIES**

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

#### *Investment of Speculative Nature*

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

#### *Nature of Mineral Exploration and Mining*

There is no known mineral resource on the Company's properties. Mineral exploration and development involves a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

#### *Exploration and Development Risks*

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

#### *Country risk*

The Company has operations outside Canada in Australia. The Australian regulatory regime is generally stable. Country risk refers to the risk of investing in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events contribute to companies' operational risks.

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### Additional Financing

Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

### Stress in the Global Economy and Financial Condition

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing.

### Permits and Licenses

There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

### Competition

The mineral exploration and mining business is competitive in all of its phases. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration.

### No Assurance of Title to Property

The Company's claims may be subject to prior unregistered agreements or transfers or third party and native land claims and title may be affected by undetected defects.

### Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

### Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

### Conflicts of Interest

The directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

### Insurance

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

*Influence of Third Party Stakeholders*

Claims by third parties on the lands in which the Company hold interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

*Fluctuation in Market Value of Shares*

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.