

**POWER AMERICAS MINERALS CORP.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**For the Period Ended June 30, 2017**

**POWER AMERICAS MINERALS CORP.**  
**(the “Company”)**  
**SELECTED FINANCIAL INFORMATION**  
**AND MANAGEMENT DISCUSSION AND ANALYSIS**

*This Management’s Discussion and Analysis (“MD&A”) prepared as of August 29, 2017, should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements as at June 30, 2017 and the related notes thereto prepared in accordance with International Financial Reporting Board (“IFRS”) as issued by International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Committee (“IFRC”). The reader should also refer to the audited financial statements and notes thereto for the year ended September 30, 2016 prepared in accordance with IFRS.*

*MD&A supplements but does not form part of the unaudited condensed consolidated interim financial statements and notes thereto for the nine months ended June 30, 2017. All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Note that additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

**Forward-Looking Statements**

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or development.

**INTRODUCTION**

Power Americas Minerals Corp. (formerly Victory Ventures Inc.) (the “Company”) was incorporated on November 8, 2009 under the *Business Corporations Act* of British Columbia. The Company’s primary business activity is mineral property exploration and development. On August 3, 2011, the Company’s common shares were listed for trading on the TSX Venture Exchange (“TSX-V” or the “Exchange”). Effective February 17, 2017 the Company’s name was changed to Power Americas Minerals Corp. The Company’s shares trade on the TSX-V under the symbol PAM, on the Frankfurt Stock Exchange under the symbol VV0:GR and on the U.S. Over the Counter Market (“OTC”) under the symbol PWMRF. The Company’s head office and registered and records office is located at Suite 1400, 1111 West Georgia Street, Vancouver, BC, V6E 4M3 Canada.

On March 24, 2014, the Company formed a wholly-owned subsidiary, Victory H.E.M.P. Bio-Tech Inc. The subsidiary is currently inactive.

### **Copau Project, British Columbia**

On January 11, 2012, the Company received TSXV approval for a Letter of Intent entered into on December 13, 2011, with an unrelated party, to earn up to a 100% interest in 2 claims (the "Copau Property"), comprising 448 hectares in the North West Mining Division, east of Iskut, British Columbia, subject to a 2% net smelter return ("NSR") in favor of the Optionor. The Company has the option to purchase one-half of the NSR for \$1,000,000.

To exercise the option, the Company must make cash payments, issue common shares of the Company and incur qualifying expenditures as follows:

<b>Cash payments</b>	<b>Shares</b>	<b>Expenditures (in aggregate)</b>	<b>Date</b>
\$10,000	Nil	\$Nil	Upon execution of Letter of Intent
\$Nil	100,000	\$Nil	Upon execution of Definitive Agreement
\$10,000	100,000	\$100,000	On or before 1 <sup>st</sup> anniversary
\$25,000	100,000	\$300,000	On or before 2 <sup>nd</sup> anniversary
\$25,000	100,000	\$Nil	On or before 3 <sup>rd</sup> anniversary
\$50,000	100,000	\$Nil	On or before 4 <sup>th</sup> anniversary
\$50,000	100,000	\$600,000	On or before 5 <sup>th</sup> anniversary
<b>\$170,000</b>	<b>600,000</b>	<b>\$600,000</b>	

On January 17, 2012, the Company entered into a definitive Option Agreement with the Optionor of the Copau Property, the terms of which are identical but supersede the letter of intent dated December 31, 2011 (the "Option Agreement").

On April 25, 2012, the Company entered into an Individual Polarization Investigation agreement with Frontier Geosciences Inc.

On September 13, 2013 the Company announced that it had successfully renegotiated the option terms contained in the Option Agreement. The second year anniversary payment due on or before January 17, 2014 was amended to consist of the issuance of 100,000 common shares, a cash payment of \$5,000 (deferring the balance of \$20,000 until January 17, 2015) and the deferral of the aggregated \$300,000 expenditure requirement on the Property to January 17, 2015.

On September 30, 2014, given the limited amount of time left to complete the exploration work required (\$300,000) by the end of January 2015 and the uncertainty of amending the option agreement, the Company decided to write off its investment in the Copau Property, despite its intentions to pursue more favourable amended option terms in January 2015.

On January 14, 2015, the Company successfully negotiated amended terms of the Option Agreement. The parties agreed to defer the third, fourth and fifth anniversary payments in consideration of the issuance of 50,000 common shares to the Optionor.

On January 12, 2016, the Company entered into an amendment agreement wherein the third year anniversary share issuance was reduced from 100,000 shares to 50,000 shares, the balance of the cumulative property expenditures totalling \$500,000 were deferred until January 17, 2018 and the third anniversary cash payment of \$45,000 was eliminated.

The consideration for the 100% interest in the Copau Property incorporating the first, second, and third amendments are summarized as follows:

<b>Cash payments</b>	<b>Shares</b>	<b>Expenditures (in aggregate)</b>	<b>Date</b>	<b>Status</b>
\$10,000	100,000	\$Nil	Upon execution of Copau Agreement	<i>Paid and issued</i>
\$10,000	100,000	\$100,000	On or before 1 <sup>st</sup> anniversary (Jan 17, 2013)	<i>Paid, issued and incurred</i>
\$ 5,000	100,000	\$Nil	On or before 2 <sup>nd</sup> anniversary (Jan 17, 2014)	<i>Paid and issued</i>
\$Nil	50,000	\$Nil	January 6, 2015	<i>Issued</i>
\$Nil	50,000	\$Nil	On or before 3 <sup>rd</sup> anniversary (Jan 17, 2016)	<i>Issued</i>
\$50,000	100,000	\$Nil	On or before 4 <sup>th</sup> anniversary (Jan 17, 2017)	
\$50,000	100,000	\$600,000	On or before 5 <sup>th</sup> anniversary (Jan 17, 2018)	
<b>\$125,000</b>	<b>600,000</b>	<b>\$600,000</b>		

The Company determined that it will not pursue the Copau Property and accordingly has recorded an impairment of \$2,000 during the year ended September 30, 2016. On January 13, 2017, the Company terminated the Copau Property Option Agreement.

#### ***PDL Property, Keremeos, British Columbia***

On May 6, 2014, the Company acquired the PDL Property located in the Keremeos-Olalla region of Southern British Columbia in consideration of \$2,500 cash and issued 300,000 common shares of the Company with a fair value of \$12,000. During the year ended September 30, 2016, the Company determined that it will not pursue the property and accordingly recorded an impairment of \$20,557.

#### ***Spirit River Lithium Project, Fox Creek-Swan Hills, AB***

On August 18, 2016, the Company announced that the Province of Alberta has approved the transfer to the Company of a 100% undivided interest in four contiguous metallic and industrial minerals exploration permits covering four townships northwest of the Fox Creek-Swan Hills area in the Peace River Arch District (the "Acquisition Area").

The exploration permits encompass an area of approximately 36,800 hectares. There are more than 800 well sites within the permitted area as documented by the Province of Alberta, which of some are producing wells with lithium content in well brines. The Acquisition Area is within MGX Minerals' Peace River Arch South area of permits and contiguous southeast to their Pouce Coupe sub-property.

On March 16, 2017, the Company announced that the Province of Alberta had approved the Company's application for a 100% undivided interest in a further six metallic and industrial minerals exploration permits covering six townships northwest of the Fox Creek-Swan Hills district in the Peace River Arch-Spirit area of northwestern Alberta.

On January 11, 2017, the Company announced the commencement of an exploration program to be conducted by APEX Geoscience Ltd. Brine sampling will be conducted on approximately 10 – 20 oil and gas wells and will undergo geochemical analysis by Maxxam Analytics Inc. at its Petroleum Technology Centre located in Edmonton, AB.

On May 31, 2017, the Company announced the results of the brine samples taken from the Spirit River Lithium Project. Brine samples were tested for potentially elevated concentrations of lithium and other important elements in reservoirs/aquifers underlying Spirit River landholdings. No significant results were returned. The Company and its consultants are reviewing the results to determine the next phase of exploration. The Company's consultant Apex Geoscience Ltd. of Edmonton, AB conducted the brine sampling program and the brine samples

were sent to Maxxam Analytics Inc. for geochemical analysis at its Petroleum Technology Centre located in Edmonton, AB.

### ***Kittson Cobalt Property, Northeastern ON***

On January 23, 2017, the Company entered into an option agreement to acquire a 100% interest in the Kittson Cobalt Property (“Kittson property”). The Kittson property is comprised of five unpatented mining claims totalling 68 units having a combined area of approximately 1,090 hectares.

Under the terms of the Option Agreement the Company can earn a 100% interest in the Kittson property for an aggregate purchase of \$1,155,000 payable by a combination of common shares and cash, of which \$1,125,000 of the purchase price was satisfied by the issuance of 25,000,000 common shares at a deemed price of \$0.045 per common share, and \$30,000 cash payable within 12 months following the execution of the Option Agreement. The Kittson property is subject to an underlying 2% Net Smelter Return royalty, of which 1.5% may be purchased by the Company for \$1,000,000.

On May 31, 2017, the Company announced that the exploration program had begun on the Kittson property. Phase I of the Kittson exploration program will consist of reconnaissance prospecting, geological mapping, and relocating historic workings. The reconnaissance program will provide accurate modern data to assist in the planning of the phase II drill program. The phase I program is set to begin in June 2017 with phase II expected to begin in late summer of 2017.

### **Outlook for the Coming Year**

For the upcoming 2017 fiscal year, the priority of the Company will be to assess the results of the phase I and phase II exploration programs on the Kittson property. In addition, the Company will assess the brine sampling work conducted on the Alberta Lithium properties and determine the future action on the property as warranted.

On April 20, 2017, the Company announced the appointment of Neil Pettigrew, M.Sc., P.Geo., to its board of directors and the resignation of William Byers as CFO and director of the Company. Chris Hobbs, a current director, assumed the role of CFO.

On March 1, 2017, the Company announced that it has signed a Letter of Intent with Red Metal Resources Ltd. to acquire on the exercise of three separate options a 100% interest in the Farellon Property, a 100% interest in the Perth Property and a 100% interest in the Mateo Property. The three projects are located 150km southwest of Copiapo, Chile, in the prolific Candelaria Iron oxide copper-gold belt of Chile’s coastal Cordillera, host to the Mantoverde mine and Lundin Mining Corporation’s Candelaria mine.

On January 11, 2017, the Company announced the appointment of Chris Hobbs, CA as a director and the resignation of Martin Bastedo as a director. In addition, the board of directors appointed Jeffrey Cocks as President and CEO in place of Howard Milne who remains a director of the Company and now serves as Vice-President, Business Development.

### **Results of Operations**

	<b>For the Nine Months Ended June 30, 2017 (Unaudited)</b>	<b>For the Nine Months Ended June 30, 2016 (Unaudited)</b>	<b>For the Year Ended September 30, 2016 (Audited)</b>
	\$	\$	\$
Net loss for the year	369,594	196,433	264,637
Basic/Diluted loss per share	0.01	0.01	0.01

	<b>For the Nine Months Ended June 30, 2017 (Unaudited)</b>	<b>For the Nine Months Ended June 30, 2016 (Unaudited)</b>	<b>For the Year Ended September 30, 2016 (Audited)</b>
Current assets	<b>623,416</b>	86,595	87,085
Exploration and evaluation assets	<b>1,178,850</b>	25,919	2,500
Shareholders' equity	<b>1,765,739</b>	112,493	79,207

***For the three months period ended June 30, 2017***

For the three months ended June 30, 2017, the Company reported \$Nil revenue (2016: \$Nil) and an overall loss of \$369,594 (2016: \$196,433). Management services were \$67,000 (2016: \$45,000), office and sundry were \$9,351 (2016: \$36,067), stock-based compensation were \$163,588 (2016 - \$43,331), and accounting, audit and legal were \$78,103 (2016: \$42,437) for the period.

***For the nine months period ended June 30, 2016***

For the nine months period ended June 30, 2016, the Company reported \$Nil revenue (2015: \$Nil) and an overall loss of \$196,433 (2015: \$166,890). Management services were \$45,000 (2015: \$60,000), office and sundry were \$36,067 (2015: \$35,729), and accounting, audit and legal were \$42,437 (2015: \$42,325) for the period.

***Liquidity and capital resources***

As of June 30, 2017, the Company had an approximate working capital of \$586,889 (2016: \$86,574).

For the ensuing year, the Company estimates that the aggregate monthly cost of administration will be approximately \$18,000 for a total aggregate annual cost of approximately \$216,000.

The Company expects to incur losses for at least the next 24 months and there can be no assurance that the Company will ever make a profit. To achieve profitability, the Company must advance its properties through further exploration in order to bring the property to a stage where the Company can attract the participation of a major resource company, which has the expertise and financial capability to place such property into commercial production.

The Company's ability to continue as a going-concern is dependent upon its ability to advance exploration properties to the development stage and achieve profitability by taking the property to production or from the sale of the property. The Company is dependent upon raising equity financing or obtaining short-term loans to continue to advance its property interests and fund ongoing operations. The condensed consolidated interim financial statements are prepared on a going concern basis, which implies that the Company will realize its assets and discharge its liabilities in the normal course of business. The condensed consolidated interim financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Company were unable to achieve and maintain profitable operations.

An analysis of the quarterly results over the last four quarters shows a substantial variance which can be attributed to the Company incurring varying professional, office and general costs period over period.

For the three months period ended June 30, 2017, the Company engaged in shareholder communication activities, and increased overall back end support activity. In light of the volatile nature of the mineral exploration business, management expects continued variances over the comparable periods.

### Selected Quarterly Financial Data

Results for the last eight quarters ending June 30, 2017:

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
	\$	\$	\$	\$
Net loss for the period	43,379	277,852	48,363	68,204
Basic/Diluted loss per share	0.00	0.01	0.00	0.00
Current assets	623,416	677,633	550,075	87,085
Exploration and evaluation assets	1,178,850	1,171,250	2,500	2,500
Shareholders' equity	1,765,739	1,809,118	523,132	79,207

	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
	\$	\$	\$	\$
Net loss for the period	95,439	68,526	32,468	61,139
Basic/Diluted loss per share	0.00	0.00	0.00	0.00
Cash & cash equivalents	86,595	105,136	88,678	134,402
Mineral properties	25,919	23,419	22,169	20,669
Shareholders' equity	112,493	131,555	113,847	144,845

### Selected Share Capital Data

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A there were 95,216,000 common shares issued and outstanding.

As at the date of this MD&A, the Company had granted the following incentive stock options pursuant to its Stock Option Plan:

Stock Options	Exercise Price	Expiry Date
170,000	\$0.05	July 27, 2017
100,000	\$0.05	October 27, 2017
890,000	\$0.05	June 2, 2018
240,000	\$0.05	June 3, 2018
3,090,000	\$0.05	February 10, 2022
<b>4,490,000</b>		

As at the date of this MD&A, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
4,000,000 <sup>(1)</sup>	\$0.05	March 11, 2018
1,000,000 <sup>(2)</sup>	\$0.05	March 18, 2018
2,000,000 <sup>(3)</sup>	\$0.05	May 10, 2018
2,625,000 <sup>(4)</sup>	\$0.05	November 23, 2018
2,500,000 <sup>(5)</sup>	\$0.05	December 20, 2018
<b>12,125,000</b>		

(1) Each Warrant entitles the holder to acquire one common share at \$0.05 per share until March 11, 2018.

- (2) Each Warrant entitles the holder to acquire one common share at \$0.05 per share until March 18, 2018.
- (3) Each Warrant entitles the holder to acquire one common share at \$0.05 per share until May 10, 2018.
- (4) Each Warrant entitles the holder to acquire one common share at \$0.05 per share until November 23, 2018.
- (5) Each Warrant entitles the holder to acquire one common share at \$0.05 per share until December 20, 2018.

On February 17, 2017, the Company granted stock options to directors, officers and advisors to purchase an aggregate of up to 5,000,000 common shares at \$0.05 per share for a five year period. The options are recorded at a fair value of \$163,588 using Black-Scholes option pricing model.

On January 26, 2017, the Company issued 25,000,000 shares at a deemed price of \$0.045 per share with a fair value of \$1,125,000 to the vendor of Kittson Cobalt Property.

On December 20, 2016, the Company completed a private placement financing of 25,000,000 shares at a price of \$0.02 per share for gross proceeds of \$500,000. The Company paid finders fees of \$50,000 and issued a finder's warrant for 2,500,000 share purchase warrants, exercisable to acquire 2,500,000 common shares at \$0.05 per share until December 20, 2018.

On November 30, 2016, the Company completed a private placement financing of 2,625,000 Units at a price of \$0.02 per Unit for gross proceeds of \$52,500. Each Unit consists of one common share and one share purchase warrant, entitling the holder to acquire an additional common share at \$0.05 per share until November 23, 2018. The Company paid finders fees of \$4,500 and issued a brokers warrant for 75,000 share purchase warrants, exercisable to acquire 75,000 common shares at \$0.05 per share until November 23, 2018.

On July 26, 2016, the Company completed a non-brokered private placement offering of 2,000,000 Units at \$0.025 per Unit for gross proceeds of \$50,000. Each Unit consists of one common share and one share purchase warrant, entitling the holder to acquire an additional common share at \$0.05 per share for a two year period expiring July 25, 2018.

On May 10, 2016, the Company completed its private placement offering of 2,000,000 Units at \$0.02 per Unit for gross proceeds of \$40,000. Each Unit consists of one common share and one share purchase warrant, entitling the holder to acquire an additional common share at \$0.05 per share for a two year period expiring May 10, 2018. The Company paid an aggregate amount of \$4,000 in finder's fees.

On March 18, 2016, the Company completed its private placement offering of 2,000,000 Units at \$0.015 per Unit for gross proceeds of \$30,000. Each Unit consists of one common share and one share purchase warrant, entitling the holder to acquire an additional common share at \$0.05 per share for a two year period expiring March 18, 2018. The Company paid an aggregate amount of \$1,500 in finder's fees.

On March 11, 2016, the Company completed its private placement offering of 4,000,000 Units at \$0.015 per Unit for gross proceeds of \$60,000. Each Unit consists of one common share and one share purchase warrant, entitling the holder to acquire an additional common share at \$0.05 per share for a two year period expiring March 11, 2018.

On January 6, 2015, the Company issued 50,000 common shares with a fair value of \$0.025 per share to the Vendor of PDL Property pursuant to the amended terms of the sale agreement.

On April 21, 2014, the Company issued 300,000 common shares with a fair value of \$0.04 per share to the Vendor of the PDL Property pursuant to the terms of the sale agreement.

### **Additional Information**

Additional information relating to Power Americas Minerals Corp. may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.poweramericascorp.com](http://www.poweramericascorp.com).

## **Exploration and Evaluation Expenditures**

### **Pre-exploration Costs**

Pre-exploration costs are expensed in the period in which they are incurred.

### **Exploration and Evaluation Expenditures**

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation of plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral source has been determined, the property is considered to be a mine under development and is classified a "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

### **Management's Responsibility for Financial Statements**

The information provided in this report, including the condensed consolidated interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets and liabilities. Management believes such estimate have been based on a careful judgments and have been properly reflected in the accompanying consolidated financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information. The Company's CEO and CFO have confirmed to the Company that they are satisfied with the effectiveness of the Company's system of disclosure controls and procedures as at June 30, 2017 based upon their evaluation of the effectiveness of such disclosure and controls procedures.

### **Management of Capital and Business Prospects**

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued capital stock, warrants, contributed surplus and deficit, in the

definition of capital. Management adjusts the capital structure as necessary in order to support the discovery, acquisition, development and mining of economically-viable precious and base metal mineral resources. The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the nine months period ended June 30, 2017. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for management and administrative costs, the Company will spend its ongoing working capital and raise additional amounts as needed.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from these estimates.

Areas of significant judgement, assumptions and estimates in the financial statements are:

- Classification of expenditures as exploration and evaluation expenditures or operating expenditures
- Going concern assessment
- Impairment reviews for exploration and evaluation assets
- Fair value of share-based payment and financial instruments
- Recoverability measurement of deferred tax assets

### **Changes in Accounting Standards**

The condensed consolidated interim financial statements have been prepared in accordance with the principles of International Financial Reporting Standards ("IFRS") as set out in CPA Canada Handbook - Accounting. These condensed consolidated interim financial statements therefore comply with IFRS as issued by the International Accounting Standards Boards ("IASB") and interpretation of the International Financial Reporting Interpretations Committee ("IFRIC").

At the date of the approval of the condensed consolidated interim financial statements, a number of standards and interpretations were in issue but not yet effective. The Company considers that these new standards and interpretation are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

### **Financial Instruments and Related Risks**

The Company manages capital and its exposure to financial risks by ensuring it has sufficient financial capacity to support its exploration development plans and long-term growth strategy.

The Company is subject to various financial risks that could have a significant impact on financial conditions and the Company's ability to advance its exploration projects. These risks include liquidity risk, credit risk, currency risk and financial market conditions relating to interest rates and mineral commodity prices.

### *Liquidity Risk*

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company attempts to manage liquidity risk by maintaining sufficient cash balances to satisfy current and planned expenditures. The Company may from time to time have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

### *Credit Risks*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is attributable to cash. To limit its exposure to credit risk, the Company held its cash with high-credit quality financial institutes in Canada.

### *Foreign Currency Exchange Risk*

Foreign currency is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to foreign exchange risk.

### *Global Financial Market Conditions*

Events and conditions in the global financial markets, particularly over the last two years continue to impact commodity prices, interest rates and currency rates. These conditions, as well as market volatilities, may have a positive or negative impact on the Company's operating costs, project exploration and development expenditures, and planning the Company's projects.

### *Fair Value*

The fair value or the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measure at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

### **Related Party Transactions**

Transactions with related parties during the nine months period ended June 30, 2017 are as follows:

- (i) The Company incurred a total of \$66,000 (2016: \$45,000) for management services and \$6,000 (2016 - \$27,000) for the provision of office facilities and equipment to a company controlled by a director.
- (ii) The Company incurred a total of \$27,000 (2016: \$27,000) in corporate secretarial services to a company controlled by an officer.
- (iii) The Company incurred a total of \$9,000 (2016: \$9,000) in accounting services to a company controlled by a director.
- (iv) The Company incurred a total of \$13,100 (2016 - \$Nil) in consulting fees to a company controlled by a director.

## Key Management Compensation

	Nine months ended June 30, 2017	Nine months ended June 30, 2016
President (current)		
Consulting fees	\$ 13,100	\$ -
Stock based compensation	32,718	-
Vice-President (current)		
Consulting fees	66,000	45,000
Office facilities & equipment	6,000	27,000
Stock based compensation	13,087	-
CFO (current)		
Stock based compensation	32,718	-
CFO (former)		
Accounting fees	9,000	9,000
	\$ 172,623	\$ 81,000

Monetary transactions with related parties have been recorded at their exchange amount, being the value of consideration as agreed to between the parties.

### Additional Disclosure for Issuers without Significant Revenue

The Company has not had any revenues from operations during the fiscal year ended September 30, 2010, the fiscal year ended September 30, 2011, the fiscal year ended September 30, 2012, the fiscal year ended September 30, 2013, the fiscal year ended September 30, 2014, the fiscal year ended September 30, 2015, and the fiscal year ended September 30, 2016. Please consult the audited annual consolidated financial statements pertaining to the fiscal year ended September 30, 2015 and the fiscal year ended September 30, 2016 for presentation of the significant acquisition, exploration and operating costs.

### Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Under Canadian securities laws, because the Company is a venture issuer, it is not required to certify the design nor provide an evaluation of its disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and therefore, has not completed such an evaluation. Accordingly, this MD&A does not contain a discussion relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, management of the Company is 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.

Accordingly, inherent limitations on the ability of the Company's management to design and implement on a cost effective basis DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

For the fiscal year ended September 30, 2010, the fiscal year ended September 30, 2011, the fiscal year ended September 30, 2012, the fiscal year ended September 30, 2013, the fiscal year September 30, 2014, the fiscal year ended September 30, 2015, and the fiscal year ended September 30, 2016, there were no changes in policies or procedures for DC&P and ICFR as compared to the prior fiscal years.