

**ECC VENTURES 2 CORP.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT SEPTEMBER 30, 2018 AND FOR THE PERIOD FROM INCORPORATION ON
JANUARY 15, 2018 TO SEPTEMBER 30, 2018**

Dated: November 21, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This interim management's discussion and analysis ("MD&A") reports on the operating results and financial condition of ECC Ventures 2 Corp. (the "Company" or "ECC 2") for the period from incorporation on January 15, 2018 to September 30, 2018 and is prepared as at November 21, 2018. This interim MD&A should be read in conjunction with the unaudited interim financial statements as at and for the period from incorporation on January 15, 2018 to September 30, 2018, which were prepared in accordance with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward looking statements include but are not limited to statements concerning:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The Company's success at completing future financings
- The Company's strategies and objectives
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of new business opportunities
- The Company's ability to manage growth with respect to a new business opportunity
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

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Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

CORPORATE OVERVIEW AND OUTLOOK

ECC2 was incorporated on January 15, 2018 under the laws of British Columbia and is classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (TSX-V) Policy 2.4. The head office is located at 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3, and the records and registered office is located at 2200 HSBC Building 885 West Georgia Street, British Columbia, V6C 3E8.

Since incorporation on January 15, 2018, the Company has had no active business operations. As a CPC, the Company’s business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (“QT”), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V. The Company has an accumulated deficit of \$128,135 as at September 30, 2018. The Company currently has sufficient liquidity to meet its operational requirements for the next fiscal year. However, the Company’s continued operations are dependent upon its ability to identify, evaluate and successfully negotiate an agreement to acquire an interest in a sustainable/viable business operation. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation, and/or will be able to obtain the financing necessary to support a new business acquisition. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

The Company completed its IPO on April 18, 2018 (the “Offering”), issuing 2,000,000 common shares in the capital of the Company at a price of \$0.10 per common share for gross proceeds of \$200,000 pursuant to the final prospectus dated March 27, 2018. Following closing of the Offering, a total of 5,650,000 common shares are issued and outstanding, of which 2,000,000 are currently held in escrow pursuant to the policies of the TSX-V. The net proceeds of the Offering, together with the proceeds from prior sales of common shares will be used by the Company to identify and evaluate assets or businesses for acquisition with a view to completing a QT under the TSX-V’s capital pool company program. In connection with the Offering, the Company granted to the agent, options to acquire up to an aggregate of 200,000 common shares at a price of \$0.10 per common share until April 18, 2020, and paid a cash commission of \$20,000, and a corporate finance fee of \$10,000 plus applicable taxes.

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SELECTED ANNUAL INFORMATION

The Company was incorporated on January 15, 2018 and has been in existence for less than a fiscal year. Thus there is no applicable annual information available.

SUMMARY OF QUARTERLY RESULTS¹

	For the three months ended September 30, 2018	For the three months ended June 30, 2018	For the period from incorporation on Jan 15, 2018 to March 31, 2018
	\$	\$	\$
(a) Revenue	-	-	-
(b) Loss for the period	(7,876)	(68,752)	(51,507)
(c) Loss per share ²	(0.00)	(0.02)	(0.03)

¹ Financial information prepared in accordance with International Financial Reporting Standards ("IFRS")

² The weighted average number of common shares outstanding used for the calculation of loss per share, excludes the 2,000,000 common shares held in escrow (see Share Capital section for further details of the escrow terms).

RESULTS OF OPERATIONS

The Company currently has no sources of revenue.

Bank charges for the three months ended September 30, 2018 were \$1, and for the period from incorporation on January 15, 2018 to September 30, 2018 were \$36. These charges were incurred for the maintenance of the Company's bank account.

General and administrative expenses for the three months ended September 30, 2018 were \$Nil, and for the period from incorporation on January 15, 2018 to September 30, 2018 were \$840. This charge was for printing costs associated with the Company's IPO.

Professional fees for the three months ended September 30, 2018 were \$4,725, and for the period from incorporation on January 15, 2018 to September 30, 2018 were \$59,599. These were legal and accounting fees incurred for the preparation of the Company's prospectus and IPO, and the agent's fee, charged in connection with the IPO, as well as ongoing accounting fees for the preparation of quarterly reporting packages.

Rent expense for the three months ended September 30, 2018 is \$3,150, and for the period from incorporation on January 15, 2018 to September 30, 2018 was \$5,775. This charge is for the administrative offices of the Company.

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Share-based compensation expense for the three months ended September 30, 2018 is \$nil, and for the period from incorporation on January 15, 2018 to September 30, 2018 was \$45,421. This is a non-cash item, and the expense is calculated using the Black-Scholes option-pricing model on the 565,000 stock options granted to the directors.

Transfer agent and filing fees for the three months ended September 30, 2018 is \$nil, and for the period from incorporation on January 15, 2018 to September 30, 2018 were \$16,464. These fees include expenses associated with the Company's prospectus and IPO.

Loss and comprehensive loss for the period

As a result of the activities discussed above, the Company experienced a loss and comprehensive loss of \$7,876 for the three months ended September 30, 2018, and \$128,135 for the period from incorporation on January 15, 2018 to September 30, 2018.

SHARE CAPITAL

Authorized

Unlimited number of common and preferred shares without par value.

Issued and outstanding

As at September 30, 2018 and the date of this MD&A, the Company had 5,650,000 common shares issued and outstanding.

On January 17, 2018, the Company issued 2,000,000 common shares of the Company at a price of \$0.05 per share for total proceeds of \$100,000. These common shares are held in escrow and will be released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of notice of final acceptance of a QT by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

All of the escrow shares are considered contingently returnable until the Company completes a QT and accordingly they are not considered to be outstanding shares for the purposes of the loss per share calculations.

On January 18, 2018, the Company issued 1,650,000 common shares of the Company at a price of \$0.10 per share for total proceeds of \$165,000.

On April 18, 2018, the Company completed an IPO of 2,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$200,000. The Company paid a cash commission of \$20,000 and a corporate finance fee of \$10,000 and granted to the agent options to acquire 200,000 common shares at a price of \$0.10 per common share until April 18, 2020.

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	Number of Shares	Amount \$
Balance, January 15, 2018	-	-
January 17, 2018 – share issuance	2,000,000	100,000
January 18, 2018 – share issuance	1,650,000	165,000
April 18, 2018 – share issuance	2,000,000	200,000
Share issuance costs	-	(43,629)
Balance, September 30, 2018 and the date of this MD&A	5,650,000	421,371

Stock options

On January 22, 2018, the Company adopted a stock option plan (the “Stock Option Plan”) whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company’s common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must be deposited in escrow until the final exchange bulletin relating to a QT is issued.

On April 18, 2018 the Company granted stock options to directors of the Company to acquire up to an aggregate of 565,000 common shares. Each option is exercisable to acquire one common share at a price of \$0.10 any time prior to April 18, 2023. This resulted in share-based compensation expense using the Black-Scholes option pricing model of \$45,421. This amount was also recorded as reserves on the statement of financial position. The weighted average fair value of the stock options granted during the year was \$0.10 per option. The risk-free interest rate was 1.75%, with an expected life of 5 years, and an annualized volatility of 113%.

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A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, as at January 15, 2018	-	\$ -
Granted	565,000	\$0.10
Balance, September 30, 2018 and as at the date of this MD&A	565,000	\$0.10

At September 30, 2018 and the date of this MD&A, stock options outstanding and exercisable are as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
April 18, 2018	565,000	\$0.10	April 18, 2023	4.55
Fully vested and exercisable	565,000	\$0.10		

Agent options

As part of the IPO on April 18, 2018, the Company granted to the agent 200,000 common shares at a price of \$0.10 per common share until April 18, 2020. This resulted in share-based compensation expense using the Black-Scholes option-pricing model of \$11,693. This amount was recorded as part of the share issuance costs and netted against reserves on the statement of financial position. The weighted average fair value of these stock options granted to the agent was \$0.10 per option. The risk-free interest rate was 1.75%, with an expected life of 5 years, and an annualized volatility of 113%.

A summary of the Company's agent option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, as at January 15, 2018	-	\$ -
Granted	200,000	0.10
Balance, September 30, 2018 and as at the date of this MD&A	200,000	\$0.10

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At September 30, 2018 and the date of this MD&A, agent options outstanding and exercisable are as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
April 18, 2018	200,000	\$0.10	April 18, 2020	1.55
Total	200,000	\$0.10		

LIQUIDITY AND CAPITAL RESOURCES

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that no more than the lesser of 30% of the gross proceeds from the issuance of common shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the Exchange Policy 2.4.

A summary of the Company's cash flows during the period from incorporation on January 15, 2018 to September 30, 2018 is as follows:

	For the period from incorporation on January 15, 2018 to September 30, 2018
Cash flows used in operating activities	\$ (65,771)
Cash flows used in investing activity	-
Cash flows provided by financing activities	421,371
Increase in cash for the period	355,600
Cash, beginning of the period	-
Cash, end of the period	\$ 355,600

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Cash flows used in operating activities were \$65,771 during the period from incorporation on January 15, 2018 to September 30, 2018. The cash was used to prepare the Company's prospectus and IPO and to maintain the administrative and reporting needs of the Company.

Cash flows provided by financing activities were \$421,371 during the period from incorporation on January 15, 2018 to September 30, 2018 upon issuance of common shares.

As a result of the above activities, at September 30, 2018, the Company has \$355,600 of cash to settle current liabilities of \$5,250. As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year. The Company's exposure to liquidity risk is currently negligible.

Until the Company has either acquired or developed a business that generates revenues, the Company will remain dependent upon the financial support of its shareholders and debt holders. Therefore, in order to fund future operating costs and/or settle its obligations with debt holders, the Company may seek to raise debt financing, or issue shares of its common stock to settle any debt, or issue shares of its common stock to raise capital. There is no assurance that the Company will be able to issue shares, or raise debt financing. Should the Company issue common shares to settle its debt or raise capital it would significantly dilute the existing shareholders. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

The interim financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The accompanying interim financial statements do not reflect adjustments that may be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate, adjustments may be necessary to the carrying amounts and/or classification of assets and/or liabilities and the reported expenses in these financial statements. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

As of September 30, 2018, \$Nil was due to related parties.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

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During the period from incorporation on January 15, 2018 to September 30, 2018, \$45,421 was recorded as compensation costs for key management personnel and companies related to them. This amount is attributable to the stock options granted to directors.

RISKS AND UNCERTAINTIES

Strategic Risk

At present, the Company has very limited sources of funding from which to repay its existing obligations and fund on-going operating costs. If the Company is unable to obtain adequate additional financing, management might be required to curtail the Company's operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case its ability to continue as a going concern may be adversely affected.

There is also no guarantee that the Company will be able to complete the acquisition of or participation in a new business opportunity. If an acquisition of or the participation in corporations, properties, assets or businesses is identified, the Company may find that even if the terms of an acquisition or participation are economic, it may not be able to finance such acquisition or participation and additional funds will be required to enable the Company to pursue such an initiative. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. The Company will be competing with other companies, many of which will have far greater resources and experience than the Company. No assurance can be given that the Company will be successful in raising the funds required for an acquisition.

Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

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FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at September 30, 2018, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-

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credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2018, the Company has no sources of revenue but has a cash balance of \$355,600 to settle current liabilities of \$5,250. As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year. The Company's exposure to liquidity risk is currently negligible.

Fair Value Measurements

Financial instruments measured 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. The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets.

As at September 30, 2018 and January 15, 2018, the Company's financial instruments consist of cash, accounts payable and accrued liabilities. Cash is classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year included:

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

CRITICAL ACCOUNTING JUDGEMENT

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1 of the interim financial statements.

ADOPTION OF NEW ACCOUNTING STANDARDS

Certain new accounting standards, amendments to standards and interpretations have been issued. These standards have been assessed to not have a significant impact on the Company's financial statements. Two new accounting standards were adopted during the period; **IFRS 9, *Financial Instruments: Classification and Measurement*** ("IFRS 9"), and **IFRS 15, *Revenue from Contracts with Customers*** ("IFRS 15"), which have an initial application as of the date of incorporation; January 15, 2018.

IFRS 9, *Financial Instruments* (new; to replace IAS 39)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

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The following is the new accounting policy for financial assets under IFRS 9:

Financial assets

The Company will now classify its financial assets in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company’s accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company’s financial assets and liabilities under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	Amortized cost
Accounts payable & accrued liabilities	Amortized cost

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company’s financial statements.

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IFRS 15, *Revenue from Contracts with Customers* (new, to replace IAS 11 and IAS 18)

This standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company has adopted this standard effective the date of incorporation January 15, 2018.

RECENT ACCOUNTING PRONOUNCEMENTS

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

IFRS 16 New standard: Replaces IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosures of leases; effective for annual periods beginning on or after January 1, 2019.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.