



**MANAGEMENT DISCUSSION AND ANALYSIS  
FORM 51-102F1**

**FOR THE YEAR ENDED NOVEMBER 30, 2018**

## **INTRODUCTION**

This is Management’s Discussion and Analysis (“MD&A”) for Inform Resources Corp. (“Inform” or the “Company”) and has been prepared based on information known to management as of January 31, 2019.

The MD&A is intended to complement and supplement the Company’s financial statements, but it does not form part of those financial statements. To better understand this MD&A, it should be read in conjunction with the audited financial statements for the years ended November 30, 2018 and 2017 including the related notes. All financial information in this document is prepared in accordance with International Financial Reporting Standards (“IFRS”) unless otherwise indicated. All dollar figures included in the following Management Discussion and Analysis (“MD&A”) are quoted in Canadian dollars unless otherwise indicated.

## **FORWARD LOOKING STATEMENTS**

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company’s activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, “anticipate”, “estimate”, “believe” and “expect” may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company’s management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

Forward looking statements in this MD&A include, but are not limited to, the following:

- Working capital requirements;
- Management’s expectations of future activities and results; and
- The Company’s ability to raise capital for exploration expenditures and/or to acquire interest(s) in new projects.

## **ADDITIONAL INFORMATION**

Financial statements, MD&A’s and additional information relevant to the Company and the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **OVERVIEW OF THE BUSINESS**

Inform Resources Corp. (the “Company”) is an exploration company incorporated on September 22, 1999 under the laws of the Province of Alberta, Canada. The Company filed for continuance under the Canada Business Corporations Act on December 1, 2003 and then under the laws of British Columbia on November 4, 2010. The Company is listed on the TSX Venture Exchange (“TSX-V”), trading under the symbol IRR.

The Company is engaged in the investigation, acquisition, exploration and development of economically viable mineral resource deposits on mineral properties. The recoverability of the amounts shown for the Company’s mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

**Operational Highlights:**

During the period ended November 30, 2018, the Company:

- a) There were no significant transactions for the year ended November 30, 2018.
- b) On August 9, 2017, the Company completed a forward share split pursuant to which the issued and outstanding common shares in the capital of the Company were split on a two post-split shares for each issued and outstanding pre-split share.
- c) On July 27, 2017, the Company is completed a private placement of 6,620,000 units consisting of one common share and one whole common share purchase warrant, at a price of \$0.025 per unit. Proceeds will be used for general working capital.

Additional information can be found at [www.sedar.com](http://www.sedar.com) or at the Company’s website.

**Subsequent Events:**

There were no significant subsequent events up to the date of this report.

**SELECTED ANNUAL FINANCIAL INFORMATION**

For the year ended	November 30, 2018 \$	November 30, 2017 \$	November 30, 2016 \$
Total revenues	-	-	-
Loss and comprehensive loss	(132,171)	(118,323)	(139,559)
Loss per share – basic and diluted	(0.01)	(0.01)	(0.05)
Total assets	79,799	23,445	72,243
Total liabilities	139,441	116,416	96,371

**SELECTED QUARTERLY FINANCIAL INFORMATION**

The selected financial information provided below is derived from the quarterly and annual financial statements for each of the last eight quarters:

	<b>Three Months Ended (\$)</b>							
	November 30, 2018	August 31, 2018	May 31, 2018	February 28, 2018	November 30, 2017	August 31, 2017	May 31, 2017	Feb 28, 2017
Operating expenses	49,081	33,327	31,891	17,872	46,511	21,676	26,937	23,199
Net loss	(49,081)	(33,327)	(31,891)	(17,872)	(46,511)	(21,676)	(26,937)	(23,199)
Loss per share – basic and diluted – continuing operations	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

**FOURTH QUARTER RESULTS**

During the three-month, period ended November 30, 2018 the Company incurred a loss of \$49,081 compared a loss of \$46,511 for the three month period ended November 30, 2017. The decrease is attributed to the decrease in legal fees offset by an increase in consulting fees for the management of the Company.

## **RESULTS OF OPERATIONS**

During the year ended November 30, 2018, the Company incurred a loss of \$132,171 compared to a loss of \$118,323 for the comparative period. The loss is consistent year over year.

Significant movements in operating and administration expenses for the year ended November 30, 2018 include accounting and audit fees of \$20,102 (2017 - \$10,250), consulting fees of \$31,500 (2017 - nil), legal fees of \$2,355 (2017 - \$21,508), Office and administration of \$60,819 (2017 - \$61,374), and transfer agent fees \$16,316 (2017 - \$23,701). Legal fees have decrease due to lower time requirements for general corporate matters. Accounting and audit and consulting fees have increased due to increase consultant time. Office and administration have decreased due to the decrease in office rent. Finally transfer agent and filing fees have increased due to the additional charges from the activity in shares from issuance and consolidations.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at November 30, 2018, the Company had a working capital deficiency of \$61,776 (2017 - \$95,487). Cash as at November 30, 2018 totalled \$59,471 (2017 - \$8,902). The overall decrease related to operating costs as detailed in the statement of loss and comprehensive loss in the financial statements.

During the year ended November 30, 2018 the Company realized a net outflow of cash from operations of \$114,931 compared to \$96,343 in the comparative year. The large increase is due to the settlement of accounts payable that occurred 2017. There were no cash flows from investing in 2018. In 2017, cash used in investing of \$2,721 was due to the purchase of a computer. During fiscal 2018, the Company had cash from financing of \$165,500 from the exercising of warrants compared to \$49,480 in 2017.

As of the date of this MD&A, the Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company's current activities will not provide a source of income in the near future and may result in a history of losses, working capital deficiencies and an accumulated deficit. The Company's financial success is dependent on management's ability to raise money, discover economically viable mineral deposits, or close the reverse take-over and run a profitable operation. Given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money from equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management recognizes there will be risks involved that may be beyond their control.

The financial statements for the year ended November 30, 2018 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

### **Outstanding share data:**

As of the date of this report, the Company had an unlimited number of common shares authorized for issuance and 20,140,584 shares outstanding.

On August 9, 2017, the Company completed a forward share split pursuant to which the issued and outstanding common shares in the capital of the Company were split on a two post-split shares for each issued and outstanding pre-split share. All share amounts throughout these statements have been retroactively adjusted to reflect this transaction.

	November 30, 2018	November 30, 2017
Common shares issued and outstanding	20,140,584	13,520,584
Options outstanding	-	-
Warrants outstanding	-	6,620,000

## RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of directors and key management personnel during the periods ended November 30, 2018 and 2017, were as follows:

- a) Consulting fees of \$31,500 (2017 – nil) to a company controlled by an officer and or director of the Company.
- b) Accounting fees of \$8,400 (2017 - \$8,400) to a company controlled by an officer and director of the Company.

Included in accounts payable and accrued liabilities at November 30, 2018 is \$33,330 (2017 - \$24,510) due to directors and officers of the Company.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

Please refer to the proposed reverse take-over transaction described above. The Company does not have any other pending proposed transactions.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Financial Instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

### Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty 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 exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at November 30, 2018, the Company had a cash balance of \$59,471 (2017 - \$8,902) to settle current liabilities of \$123,691 (2017 - \$136,027). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities, including optioning interests in the Company's properties.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at November 30, 2018, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The Company's business is conducted in Canadian dollars. As such, the Company considers exposure to foreign currency risk to be minimal.

c) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Company's control. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

## **RISK FACTORS**

Companies in the exploration stage face a variety of risks and investments are highly speculative. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Readers are referred to the Company's Filing Statement, located on SEDAR at [www.sedar.com](http://www.sedar.com), for a full list of applicable risk factors.

### **New standards not yet adopted**

Certain new standards, interpretations and amendments to existing have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2018, or later periods. Updates that are not applicable or are not consequential to the Company have been excluded in the standards listed below.

The Company anticipates that the application of these standards, amendments, revisions and interpretations will not have a material impact on the results and financial position of the Company.

#### *IFRS 9 Financial Instruments*

IFRS 9 Financial Instruments is part of the IASB's wider project of replacing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the

contractual cash flow characteristics of the financial assets. This standard is effective for annual periods beginning on or after January 1, 2018.

*IFRS 16 Leases*

IFRS 16 Leases replaces IAS 17 – Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 19, 2019, with earlier adoption permitted.

*Amendments to IAS 1 Presentation of Financial Statements*

The amendments are designed to encourage companies to apply judgement to determine what information to disclose in the financial statements. In addition, the amendments clarify that companies should use judgement in determining where and in what order information is presented in the financial disclosures. The amendment is effective for annual periods beginning on or after January 1, 2018.

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.