

GAINNEY CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Ended September 30, 2018 and 2017

**GAINEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

This Management Discussion and Analysis ("MD&A") of Gainey Capital Corp. (the "Company") provides analysis of the Company's financial results for the six months ended September 30, 2018 and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and the notes thereto for the six months ended September 30, 2018, which are available on SEDAR at www.sedar.com. This MD&A is current as at November 29, 2018, the date of preparation.

The September 30, 2018 unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements made by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

DESCRIPTION OF BUSINESS AND OVERVIEW

Gainey Capital Corp. ("Gainey" or the "Company") is in the business of mineral property exploration and development in Mexico. Gainey was incorporated under the Business Corporations Act (British Columbia) on February 11, 2011 and is publicly listed on the TSX Venture Exchange (the "Exchange") under the symbol GNC.

Acquisition of Golden Anvil Assets

On October 21, 2011, the Company announced the signing of a letter of intent with Golden Anvil S.A. de C.V. ("Golden Anvil"), a Mexican-incorporated entity as the Company's Qualifying Transaction. On October 4, 2012, the Company entered into a definitive asset purchase agreement with Golden Anvil, amended on June 3, 2013 (the "Amended Agreement") pursuant to which the Company would acquire certain assets comprising certain mineral concessions located in the western portion of the Sierra Madre Occidental mountain range (the "El Colomo concessions"), and a concentration plant and associated equipment located in Huajicori, Nayarit, Mexico (the "Assets").

On October 2, 2013, the Company completed its Qualifying Transaction in accordance with Policy 2.4 of the Exchange with the acquisition of the Assets pursuant to the Amended Agreement. Consideration paid by the Company to acquire the Assets was as follows:

- Issued 12,000,000 common shares in the capital of the Company to Golden Anvil nominees (the "Consideration Shares"). The Consideration Shares were valued at \$0.50 per common share for an aggregate value of \$6,000,000, which was capitalized as exploration and evaluation assets during the period; and
- Issued a special warrant of the Company to Golden Anvil. The special warrant is convertible, for no additional consideration, from time to time, into that number of common shares of the Company equal to the number of ounces of gold or gold-equivalent, categorized as measured and indicated mineral resources (as such terms are defined by the Canadian Institute of Mining, Metallurgy and Petroleum), upon receipt by the Company and/or Golden Anvil of a technical report prepared in accordance with National Instrument 43-101 by an independent Qualified Person (as defined in NI 43-101) in relation to the El Colomo concessions on or before September 27, 2019, subject to an aggregate maximum of three million common shares. No value has been attributed to the special warrant on the consolidated financial statements.

The Consideration Shares and special warrant issued are subject to surplus escrow agreements pursuant to Exchange policy, and to an additional 100% lock-up agreement that expires on the first anniversary of completion of the Qualifying Transaction.

**GAINEY CAPITAL CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

The Consideration Shares and any shares issued on the conversion of the special warrant were to be released in various tranches as more specifically described in the notes to the financial statements.

The Company also issued 665,000 common shares to Avonlea Ventures Inc. (“Avonlea”), an arm’s length party, as a finder’s fee with respect to the acquisition of the Assets. The common shares were valued at \$0.50 per common share for an aggregate value of \$332,500, which was capitalized as exploration and evaluation assets during the period. The Avonlea shares are subject to resale restrictions such that 10 percent of the shares are free of resale restrictions on the date of the final exchange bulletin and an additional 15 percent of the shares are free of resale restrictions each six-month period thereafter.

Current Operations

On July 30, 2018, the Company entered into an option agreement with First Mining Gold Corp. (“First Mining”) granting Gainey the right to earn a 100% interest in the Las Margaritas property located in the State of Durango, Mexico.

The property is located approximately 140 kilometres to the southeast of Mazatlan, Sinaloa and is comprised of two mineral concessions encompassing a total of 500 hectares. As shown in the map below, the concessions lie to the north of Gainey’s El Colomo project and within El Colomo’s overall claim package.

Under the terms of the four year option agreement, Gainey can elect to make either annual share or cash payments to First Mining in the following amounts:

Payment Term	CAD\$ Aggregate Value of Gainey Common Shares (applicable Mexican VAT to be paid in cash)	CAD\$ Cash Payment (inclusive of applicable Mexican VAT @ 16%)
Upon approval by the TSX Venture Exchange	\$75,000 in Shares (\$12,000 in Cash – VAT)	N/A
First anniversary date of the agreement	\$175,000 in Shares (\$28,000 in Cash – VAT)	\$174,000 in Cash
Second anniversary date of the agreement	\$250,000 Shares (\$40,000 in Cash – VAT)	\$261,000 in Cash
Third anniversary date of the agreement	\$225,000 Shares (\$36,000 in Cash – VAT)	\$232,000 in Cash
Fourth anniversary date of the agreement	\$225,000 Shares (\$36,000 in Cash – VAT)	\$232,000 in Cash

In addition, as per the terms of the option agreement, Gainey will make annual cash payments to First Mining of USD\$25,000 from September 2018 to September 2020, and USD\$250,000 in September 2021 in connection with an existing agreement on the property, and will incur exploration expenditures on the Las Margaritas property totaling USD\$1,000,000 over the four year option period. Upon completion, Gainey will obtain 100% ownership of the Las Margaritas project and First Mining will retain a 2% net smelter returns (“NSR”) royalty, with Gainey having the right to buy back 1% of the NSR royalty for USD\$1,000,000 up until the first anniversary of the commencement of commercial production at the project.

On May 2, 2018, the Company announced it had completed upgrades to its Huajicori mill. The upgrades at the 300 tonne per day Huajicori mill included electrical and mechanical improvements and maintenance. Major upgrades to the electrical system were completed and approved by engineers from the Comisión Federal de Electricidad (CFE), the government-controlled power company. In addition, wear parts in the grinding circuit have been inspected and replaced. With the repairs and upgrades now complete, the mill is ready to begin processing material.

The Company is now planning to move forward with processing the bulk sample to be sourced and supplied by Grupo Wolinac S.A. de C.V., as outlined in the news release dated February 28, 2018. Results of the bulk sample processing will be released once the test work is finalized.

GAINNEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

In conjunction with advancing the toll milling operations, the company continues to evaluate additional gold – silver exploration projects located in Mexico for acquisition as it moves to establish a more diversified presence.

Exploration and Evaluation – Use of Private Placement proceeds to November 29, 2018

Cash balance, March 31, 2017	\$ 8,604
Net proceeds from 2018YE financing	1,334,726
Exploration and evaluation assets expenditures	(668,801)
General corporate activities	(355,983)
Cash balance, September 30, 2018	<u>\$ 240,615</u>

Concessions

The El Colomo Property is made up of six claims for a total of 18,018.2382 hectares. Gainey Capital has not registered the concessions under the Company name with the Public Registry of Mines (“PRM”) in Mexico as these mineral concessions are registered with the PRM under the name of Golden Anvil which was acquired by Gainey Capital Corp.

The approximate total back taxes due for each claim up through the second quarter of 2018 is as follows:

Claim Name	Surface Area (Has.)	Approx. Total Taxes Due Through 2nd Quarter 2018		Exploration expenditures to date
		Mexican Pesos	Canadian funds	Canadian funds
La Bufa	14.7669	\$4,900	\$335	\$65,616
El Arrayan	50.0	\$25,000	\$1,710	\$188,755
La Nueva Victoria	59.0	\$62,000	\$4,200	\$876,690
Filomeno	403.2535	\$430,000	\$29,400	\$171,175
La Chata	13,491.22	\$1,550,000	\$106,000	\$389,529

With respect to the Manos Arriba claim (expenditures to date are \$389,529), the Company has determined that no taxes will be paid and the claims will be dropped due to poor exploration results.

With respect to the La Chata claims, the VP of Exploration has recommended dropping these claims as well also due to no significant mineralized zone having been identified on this claim.

The VP of Exploration has recommended keeping the remaining claims (La Bufa, El Arrayan, La Nueva Victoria, and Filomeno) and the paying of the taxes as these claims cover all of the core targets at El Colomo and are critical to maintaining this property. The Company has recorded a total of \$35,645 as an accrued liability for the taxes owing on these four remaining concessions.

Exploration and Evaluation Assets

	September 30, 2018	September 30, 2017
Acquisition Costs	\$ 193,772	\$ 5,743,598
Deferred Exploration Costs	1,752,457	2,337,566
	<u>\$ 1,946,229</u>	<u>\$ 8,081,164</u>

For a comprehensive breakdown of exploration and evaluation costs, please refer to Note 4 of the unaudited condensed consolidated interim financial statements for the six months ended September 30, 2018.

GAINNEY CAPITAL CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

Promissory Note

In connection with the acquisition of the Assets, the Company has received a signed Promissory Note (the “Note”) in the amount of \$266,215 from Golden Anvil. The Note reflects certain amounts paid by the Company on behalf of Golden Anvil for duties and taxes, unpaid consulting fees associated with a 43-101 Technical Report completed, 50% of certain sponsorship fees incurred as well as other expenses. These costs were paid by the Company but were incurred by Golden Anvil prior to the finalizing of the Qualifying Transaction which closed in September 2013.

The Note has an interest rate of 12% per annum compounded monthly and as of September 30, 2018, this debt, including interest and a reclassified loan receivable (per below), amounts to \$483,632 (2017 - \$429,199). The Note is secured by 800,000 Consideration Shares (“Pledged Shares”) and personally guaranteed by Marco Antonio Rincon-Valdes (a former director of the Company – Note 11) and Francisco Rolando Rincon-Romo. Pursuant to the Note, Golden Anvil had agreed to repay 50% of the original balance on or before October 2, 2014, and the remaining 50% on or before April 2, 2015. Payment was not made, and the Company has taken action pursuant to the personal guarantees and if necessary, the Company may realize on the Pledged Shares. The Company had previously accounted for the costs paid in connection with the Note as part of exploration and evaluation assets, as there was uncertainty as to the collectability of the Note. Any amounts recovered from Golden Anvil will be offset against the carrying value of the Company’s exploration and evaluation assets.

During the year ended March 31, 2017, the Company received notice of a claim from Marco Antonio Rincon-Valdes seeking the delivery of 571,337 common shares in the capital of the Company pursuant to the original terms of the El Colomo purchase agreement, as well as for general damages associated with a claimed breach of the purchase agreement. As at June 30, 2018, no provisions have been recorded for any potential liability arising from this matter, as management believes the claim to be without merit, with the likelihood of the Company being required to issue the common shares and pay the general damages being remote.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company’s financial operations. For more detailed information, refer to the Financial Statements.

	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
Total revenue	\$ Nil	\$ Nil	\$ Nil
Loss and comprehensive loss for the year	(6,949,325)	(852,084)	(865,322)
Loss per share – basic and diluted	(0.13)	(0.02)	(0.02)
Total assets	2,862,189	8,415,449	8,769,273
Total liabilities	83,325	166,986	66,226

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

The Company’s recorded loss for the financial years ended March 31, 2018, 2017 and 2016 is comprised mainly of general and administrative expenses. The reported net loss for 2018 includes the write off of exploration and acquisition costs for two of the six concessions in Mexico. For the years ended March 31, 2017 and 2016, the loss for the year includes share-based compensation in the amount of \$303,800 and \$248,935 respectively.

GAINNEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

SUMMARY OF QUARTERLY RESULTS

Selected financial indicators for the past eight quarterly periods are shown in the following table (expressed in Canadian dollars):

	Three Months Ended September 30, 2018	Three Months Ended June 30, 2018	Three Months Ended March 31, 2018	Three Months Ended December 31, 2017
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Loss for the period	(139,353)	(113,915)	(6,667,696)	(92,869)
Loss per share – basic & diluted	(0.00)	(0.00)	(0.13)	(0.00)
Total assets	\$ 2,649,559	\$ 2,748,649	\$ 2,862,189	\$ 9,458,463
Total liabilities	\$ 105,663	\$ 65,400	\$ 83,325	\$ 137,203

	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017	Three Months Ended December 31, 2016
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Loss for the period	(98,054)	(90,706)	(145,276)	(142,603)
Loss per share – basic & diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	\$ 9,758,806	\$ 8,351,631	\$ 8,415,449	\$ 8,499,687
Total liabilities	\$ 360,226	\$ 166,986	\$ 166,986	\$ 105,948

During the year ended March 31, 2018, the Company wrote off exploration and acquisition costs for two of the six concessions in Mexico. During the three months ended September 30, 2016, the Company recorded \$303,800 in shared based compensation and \$24,807 resulting in a higher loss over the other quarters presented in the table above. For the three months ended March 31, 2016, the Company recorded amortization of \$31,682 and \$21,335 for share-based compensation. Fluctuations in the Company's expenditures reflect the variations in the timing of exploration activities and general operations, and the ability of the Company to raise capital for its projects, including share-based payments during certain quarters.

The Company's general and administrative expenditures are related to the level of financing and exploration activities that are being conducted, which may in turn depend on the Company's exploration prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. The Company does not acquire properties or conduct exploration work on its properties on a pre-determined basis. Thus, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Other than as herein disclosed, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon the Company's expenses, income from investing, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

**GAINEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

RESULTS OF OPERATIONS

For the three-month periods ended September 30, 2018 and 2017

For the three months ended September 30, 2018, the Company incurred a net loss of \$139,353 compared to a net loss of \$117,757 for the three months ended September 30, 2017. Increases were realized in office expenses, professional fees, regulatory fees, and travel. Decreases were realized in all other categories. The majority of the increase were for travel costs recorded during the current period where as none were recorded during the prior three-month period.

Office expenses increased during the current three-month period due to an increase in bank charges and general office expenses; professional fees increased due the recording of an accrual for the current year audit fees whereas no accrual was recorded in the prior year and an increase in legal fees which were incurred for the acquisition of the Las Margaritas property; travel costs also increased during the current three-month period during the property acquisition process; shareholder and investor relations decreased during the current three-month period over the prior three-month period as the Company did not renew contracts with newsletter writers, while legal and regulatory fees decreased during the period.

During the three-month period ended September 30, 2018, the Company incurred \$76,258 (2017 - \$185,151) in exploration costs on its El Colomo and Las Margaritas properties in Mexico and \$10,000 on its processing plant for maintenance and upgrades, the majority of the exploration costs were for acquisition costs and geological fees.

For the six-month periods ended September 30, 2018 and 2017

For the six months ended September 30, 2018, the Company incurred a net loss of \$253,268 compared to a net loss of \$169,059 for the six months ended September 30, 2017. Increases were realized in office expenses, professional fees, regulatory fees, and travel. Decreases were realized in all other categories. The majority of the increase were for travel costs recorded during the current period where as none were recorded during the prior six-month period.

Office expenses increased during the current six-month period due to an increase in bank charges and general office expenses; professional fees increased due the recording of an accrual for the current year audit fees whereas no accrual was recorded in the prior year and an increase in legal fees which were incurred for the acquisition of the Las Margaritas property; travel costs also increased during the property acquisition process; shareholder and investor relations decreased during the current six-month period over the prior period as the Company did not renew contracts with newsletter writers, while legal and regulatory fees decreased during the period.

For the six-month period ended September 30, 2018, the Company incurred \$138,664 (2017 - \$203,840) in exploration costs on its El Colomo and Las Margaritas properties in Mexico and \$48,303 on its processing plant for maintenance and upgrades, the majority of the exploration costs were for acquisition costs and geological fees.

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

At September 30, 2018, the Company had a cash balance of \$240,615 (March 31, 2018 - \$583,259) to settle current liabilities of \$105,663 (March 31, 2018 - \$83,325). The Company expects to fund these liabilities and its exploration and operational activities through the issuance of capital stock over the coming year.

At September 30, 2018, the Company's cash and cash equivalents decreased by \$342,644 to \$240,615 from \$583,259. Cash used in investing activities was \$186,967 (2017 - \$256,746) for deferred exploration costs on the Company's exploration and evaluation assets. The Company received net proceeds of \$18,300 (2017 - \$Nil) from share subscriptions.

At September 30, 2018, the Company held cash and cash equivalents of \$240,615, had working capital of \$251,009, has not yet achieved profitable operations, has commitments due in the coming fiscal year, and had an accumulated deficit of \$10,493,171 since inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

GAINNEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to advance its mineral property interests, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company does not derive any revenues from operations and does not expect to generate any revenues from operations in the foreseeable future. The Company has no material income from operations.

The Company's financial performance is dependent upon many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, and impacted by changes in domestic and international political, social and economic environments. In addition, the availability and cost of funds for exploration, development and production are difficult to predict. Changes in events could materially affect the financial performance of the Company.

The Company's mineral exploration activities have provided the Company with no sources of income and a history of losses and deficit positions. However, given the nature of its business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of the Company's performance and valuation.

The Company is dependent on raising funds through the issuance of shares and/or debt instruments or disposing of interests it has in exploration and evaluation assets in order to finance further acquisitions, undertake exploration and development activities on exploration and evaluation assets and meet general and administrative expenses in the long term.

There is no assurance that additional funding will be available to allow the Company to fully explore its exploration and evaluation assets. Failure to obtain financing could result in the delay or indefinite postponement of further exploration and the possible partial or total loss of the Company's interest in certain properties. The Company may be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized.

Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control. The Company has no outstanding debt facility upon which to draw.

RELATED PARTY TRANSACTIONS

The remuneration of key management personnel, being those persons determined as having authority and responsibility for planning, directing and controlling the activities of the Company during the six months ended September 30, 2018 and 2017 is as follows:

	Six months ended	
	September 30, 2018	September 30, 2017
Management fees paid/accrued to the CEO	\$ 78,145	\$ 77,926
Accounting fees paid/accrued to the CFO	15,000	15,000
Compensation paid/accrued to the VP of Exploration	23,125	-
	\$ 116,270	\$ 92,926

Related party balances

As at September 30, 2018, a total of \$63,591 (2017 – \$117,614) has been advanced to the CEO of the Company for future exploration and travel expenses; and \$2,625 (2017 - \$31,500) is owing to the CFO of the Company.

See Note 7 for details in regards to a Promissory Note with Golden Anvil, a company with a director, Mr. Marco Antonio Rincon-Valdes, who was a former director of the Company.

**GAINEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

SUBSEQUENT EVENTS

On November 27, 2018, the Company announced that it has arranged a non-brokered private placement of up to 23,000,000 Units (the "Units") in the capital of the Company at a price of C\$0.05 per Unit for gross proceeds of up to C\$1,150,000 (the "Offering"). Each Unit will consist of one common share and one non-transferable common share purchase warrant (a "Warrant") exercisable at C\$0.10 to purchase an additional common share for a period of 48 months from closing. Closing is expected to occur on or before December 15, 2018.

The net proceeds of the Offering will be used to advance exploration activities at the Company's Las Margaritas property located in the State of Durango, Mexico, as well as for general working capital. Finder's fees may be paid on the Offering pursuant to the policies of the TSX Venture Exchange.

FINANCIAL INSTRUMENTS

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2018 the carrying values of the Company's loan receivable and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted inputs.

Financial Risks

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing accounts at reputable financial institutions, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions. At September 30, 2018, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. At September 30, 2018, the Company had working capital of \$251,009 (March 31, 2018 - \$639,275). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2018, the Company has adequate working capital to discharge its existing financial obligations. At September 30, 2018, the Company had a cash balance of \$240,615 (March 31, 2018 - \$583,259) to settle current liabilities of \$105,663 (March 31, 2018 - \$83,325).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

**GAINEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017**

Market risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At September 30, 2018, the Company was not exposed to significant interest rate risk.

The Company is principally engaged in the acquisition and exploration of exploration and evaluation assets in Mexico. To date the operating expenditures have been denominated in Canadian dollars. In the future, due to the location of operations, the Company may experience exposure to foreign exchange rate fluctuations for expenditures in foreign currencies against the Canadian dollar as the functional currency of the business entity.

Mining concessions

The Company continues to evaluate its current mineral concession package with respect to some of the other opportunities that are being presented at this time. Failure to move forward with certain mineral concessions will not impact our operations as we will only eliminate the mineral concessions that have no exploration potential and therefore no value.

Due diligence

The Company has been working continuously on its due diligence and expects to have it completed during fiscal 2019. The land package covers a large area with some extreme geological challenges which has made for slow progress.

GOING CONCERN

To date the Company has not generated any significant revenues and is considered to be in the exploration and evaluation stage. The Company has sustained operating losses since inception and, as at September 30, 2018, has an aggregate operating deficit totaling \$10,493,171 (March 31, 2018 - \$10,239,903). The continuing operations of the Company are dependent upon its ability to raise adequate financing. Management is also aware that material uncertainties exist, related to current economic conditions, which cast doubt about the entity's ability to continue to finance its activities.

NEWLY ADOPTED ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

Please refer to Note 4 and 5 of the consolidated financial statements for the six months ended September 30, 2018 posted on www.sedar.com.

CAPITAL COMMITMENTS

The Company has no commitments for equipment expenditures for fiscal 2019. The Company has forecasted that any property and equipment expenditures based on future needs will be funded from working capital and/or from operating or capital leases.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

GAINEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

Critical judgments

The preparation of our consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1 of the financial statements, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary has been determined to be the Canadian dollar.

Key sources of estimation uncertainty

Significant estimates made by management affecting our consolidated financial statements include:

Share based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share based payment expense for the year along with the assumptions and model used for estimating fair value for share based compensation transactions.

Deferred tax assets & 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 deferred income tax provisions or recoveries could be affected.

Recoverability of exploration & evaluation assets

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

SHARES AND SHARE-BASED UNITS

The Company has the following common shares, stock options, and share purchase warrants outstanding as at November 29, 2018:

Common shares:	-	58,678,940
Escrow shares:	-	7,633,698
Stock Options:	-	4,225,000
Warrants:	-	13,056,319

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties are considered by management to be the most important in the context of the Company's business. The risks and uncertainties are not limited to but include risks associated with our dependence on the Golden Anvil Project in Mexico are: geological exploration and development; changes in law; continued negative operating cash flow and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental;

GAINEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

Even though the Company has not registered the concessions in Mexico with the Public Registry of Mines ("PRM"), there is no risk to the Company at this time. The concessions are currently registered with the PRM under Golden Anvil and Gainey Capital has acquired an option to purchase the assets in our Asset Purchase Agreement with Golden Anvil when Gainey is certain it wants to move forward with these assets. By using this strategy, the Company eliminates any risk that may arise with respect to the properties prior to completing a full due diligence on each concession.

With respect to the outstanding duties and taxes, based on regular communications between PRM and our Mexican legal counsel, once the above-noted due diligence has been completed on each of the concessions, Gainey has the option to pay the outstanding amounts and move forward with exploring the concessions.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: regulatory and permitting considerations, financing of the Company's acquisitions and other activities, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information as well as other risks and uncertainties referenced under "Risks and Uncertainties" in this MD&A.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below and including those referenced in the "Risks and Uncertainties" section of this MD&A, and, as a result they may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- financing, capitalization and liquidity risks;
- mineral exploitation and exploration program cost estimates;
- the nature and impact of drill results and future exploration;
- regulatory risks relating to mineral tenure, permitting, environmental protection, taxation, and royalties;
- volatility of currency exchange rates, metal prices and metal production;
- other factors referenced under "Risks and Uncertainties"; and
- other risks normally incident to the acquisition, exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Company's website. All subsequent written and oral forward-looking statements attributable to

GAINNEY CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.