

## SHOSHONI GOLD LTD.

For the three months and six months ended August 31, 2018

### Management's Discussion and Analysis

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#### Date

This discussion and analysis of financial position and results of operations is prepared as at October 30, 2018. The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Overview

The Company is incorporated under the Company Act of British Columbia, and extra-provincially registered in the Northwest Territories. Its principal activities are the exploration of resource properties. The Company has interests in a gold property in the Yukon Territory. The Company's property is currently at the "exploration stage". At this time the Company has no production from its mineral interests.

#### Selected Annual Information

	Year Ended February 28, 2018	Year Ended February 28, 2017	Year Ended February 29, 2016
Total Revenue	\$ Nil	\$ Nil	\$ Nil
Operating loss:			
Total for the year	141,569	2,461,242	223,045
Per share (basic & diluted)	0.02	0.33	0.00
Net loss or (income):			
Total for the year	141,569	2,461,242	223,045
Per share (basic & diluted)	0.02	0.33	0.00
Working capital (deficiency)	(347,335)	(345,026)	(437,003)
Total assets	73,375	25,051	2,294,891
Resource property costs	1	1	2,271,720

Losses for the last three years have ranged from a low of \$223,045 in fiscal 2016 to a high of \$2,461,242 in the 2017 fiscal period. The fluctuations have been caused mainly by the differences in the amounts of asset retirement obligations, the write down of exploration and evaluation assets and the recovery of exploration tax credits. The write down in the 2016 fiscal year was primarily due to the write down of the ZPG property. The large write down in the 2017 fiscal year was due to the write down of the Kirkland Creek property.

The working capital deficiencies for 2016, 2017 and 2018 were due to the difficulties in raising venture capital for equity financing in the current market conditions during the period.

#### Results of Operations

##### *Results of Operations for the three months ended August 31, 2018 and August 31, 2017:*

The Company incurred a net loss of \$25,129 for the three months ended August 31, 2018 compared to a net loss of \$22,780 for the three months ended August 31, 2017. During the period, the Company, upon agreement with

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a number of creditors, postponed an aggregate of \$158,196 in indebtedness until December 31, 2019 in consideration of accruing interest at a rate of 10% per annum, commencing September 1, 2018. Accrued interest aggregating \$15,158 accrued during fiscal 2018 and the first six months of fiscal 2019 on \$139,260 of Indebtedness was reversed during the period. Consulting expenses increased from \$15,000 in the comparative period in 2017 to \$30,000 in the current period as a result of increased activity by consultants to the Company, as the Company organized itself to conduct exploration on its Kirkland Creek Property.

#### *Results of Operations for the six months ended August 31, 2018 and August 31, 2017:*

The Company incurred a net loss of \$82,566 for the six months ended August 31, 2018 compared to a net loss of \$47,038 for the six months ended August 31, 2017. During the period, the Company, upon agreement with a number of creditors, postponed an aggregate of \$158,196 in indebtedness until December 31, 2019 in consideration of accruing interest at a rate of 10% per annum, commencing September 1, 2018. Accrued interest aggregating \$15,158 accrued during fiscal 2018 and the first six months of fiscal 2019 on \$139,260 of Indebtedness was reversed during the period. Consulting expenses increased from \$30,000 in the comparative period in 2017 to \$60,000 in the current period as a result of increased activity by consultants to the Company, as the Company organized itself to conduct exploration on its Kirkland Creek Property.

#### Summary of Quarterly Results

The following table sets out financial information for the Company for each of the last eight quarters summarized in accordance with IFRS.

Quarter Ended	Aug 31, 2018 \$	May 31, 2018 \$	Feb 28, 2018 \$	Nov 30, 2017 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(25,129)	(57,426)	(58,781)	(35,750)
Loss per share	(0.00)	(0.01)	(0.01)	(0.00)
Quarter Ended	Aug 31, 2017 \$	May 31, 2017 \$	Feb 28, 2017 \$	Nov 30, 2016 \$
Revenue	Nil	Nil	Nil	Nil
Loss for period	(20,530)	(26,508)	(2,331,964)	(45,378)
Loss per share	(0.00)	(0.00)	(0.31)	(0.01)

#### Liquidity

Historically the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company has issued common share capital in past years, pursuant to private placement financings and the exercise of warrants or options. The Company's access to exploration financing when the financing is not transaction specific is always uncertain. There can be no assurance of continued access to equity funding.

The Company's cash on hand increased to \$63,690 at August 31, 2018 from \$308 as at February 28, 2018. The Company had a working capital deficiency of \$166,801 as at August 31, 2018 compared to a working capital deficiency of \$347,335 as at February 28, 2018. This significant improvement in working capital is a result of the Company obtaining debt postponement agreements from a number of its creditors to postpone an aggregate of \$402,360 to December 31, 2019, in consideration of the Company accruing interest at the rate 10% per annum from September 1, 2018, and the repayment of the balance of an accounts receivable in the amount of \$63,500.

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The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit. The Company has long term debt, resulting from debt postponement agreements from a number of its creditors to postpone an aggregate of \$402,360 to December 31, 2019, in consideration of the Company accruing interest at the rate 10% per annum from September 1, 2018. The Company has no capital lease obligations nor operating leases. At August 31, 2018, the Company had recorded Asset Retirement Obligations in the amount of \$16,825 for the Sunrise Natural Gas property for which a bond has been posted with the BC Government.

#### Resource Properties

##### Kirkland Creek Property

The Company has negotiated the purchase of the Kirkland Creek Property, located 120 kilometers northwest of Whitehorse, Yukon, in the Ashihik Lake region. The property originally was comprised of 144 claims totaling approximately 7,300 acres. The Company paid the vendor 2,000,000 common shares for a 100% interest in the property. The vendor will retain a 3% net smelter royalty ("NSR") on any mineral production from the property. The Company has the right to purchase up to 2% of the 3% NSR for \$1,000,000 per percentage point. On May 7, 2007, the Company announced that it had expanded the property by staking an additional 36 claims (1,830 acres) adjoining the original 144-claim block. The Company has allowed some of the claims it considers to be of lesser importance to lapse. The Kirkland Creek property now consists of 40 contiguous claims. The Company is obligated to make pre-production royalty payments of an aggregate of \$25,000 annually to the Vendor – Deborah Moreau, who is the common-law spouse of the CEO of the Company.

Subsequent to the reporting period, the Company commenced an exploration program on the Kirkland Creek Property as reported in the Company's Press Release dated October 9, 2018.

During the year ended February 28, 2017, as a result of applying IFRS 6, the Company has been forced to write down this property by \$2,296,719 to a nominal amount of \$1 as a result of not meeting the criteria for expenditures on the property. Under IFRS 6 where substantial expenditures are neither budgeted nor planned there is an indicator of impairment, and where fair value cannot be determined the property is written down to a nominal amount.

##### Reclamation Bond

The bond posted during fiscal 2008 by the Company in anticipation of the drilling on the Sunrise Natural Gas Lands is still held in trust for the Company until such time as any required reclamation has been completed, during fiscal 2018 \$Nil (2017 \$Nil) was returned to the Company. The funds do not bear interest and fair value is not readily determinable.

#### Transactions with Related Parties

The following amounts were paid or accrued to directors, officers or companies controlled by directors and/or officers of the Company for services provided for the six months periods

	<u>2018</u>	<u>2017</u>
Accounting and legal fees	\$ 4,500	\$ 17,037

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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Amounts due to former directors of the Company as at August 31, 2018 of \$67,689 (February 28, 2018 - \$67,689) were included in accounts payable and accrued liabilities. Amounts due to related parties do not bear interest, are unsecured and are classified as current due to their nature and expected time of repayment.

Advances received from directors as at August 31, 2018 of \$37,812 (February 28, 2018 - \$37,812) includes an amount of \$4,065 (2017 - \$4,065) which bears interest at 10% per annum and was repayable in full on December 16, 2014, \$203 of interest (2017 - \$203) has been accrued as at year end. Other loans from Directors bear no interest and have no fixed repayment dates.

#### Off Balance sheet Arrangements

As of the date of this management discussion, the Company has no such arrangements.

#### CRITICAL ACCOUNTING ESTIMATES

This section is not required as the Company is a Venture Issuer as the term is defined in National instrument 51-102.

#### FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company holds financial instruments, as the term is defined in National Instrument 51-102F1 paragraph 1.14, consisting of cash, reclamation bonds, accounts payable and accrued liabilities, loans payable, and advances from directors.

#### SIGNIFICANT ACCOUNTING POLICIES

##### *Deferred mineral property costs*

The Company currently capitalizes all exploration costs incurred until the date of establishing that a property has mineral resources with the potential of being economically recoverable. Under IFRS, development costs incurred subsequent to this date are capitalized until such time as the projects are brought into production or are deemed economically unfeasible. Under IFRS, deferred exploration and evaluation costs can be recognized at cost or at fair value. The Company has elected to use the cost method and not the revaluation method due to the difficulty in determining accurate fair value information and the effort required to continually monitor fair values.

#### Disclosure of Outstanding Share Data

The following details the share capital structure as of the date of this MD&A, October 30, 2018.

	Expiry date	Exercise price	Number	Number
Common shares				9,006,105
Share purchase options				None
Share purchase warrants	June 6 – 28, 2019	\$0.05		5,918,000