

**MINFOCUS EXPLORATION CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**For the period ended August 31, 2017**

**October 27, 2017**

**Background**

This management discussion and analysis of financial position and results of operation ("MD&A") is prepared as at October 27, 2017 and should be read in conjunction with the unaudited consolidated financial statements for the period ended August 31, 2017 for Minfocus Exploration Corp. (the "Company"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information is provided in the Company's financial statements and other documents. These documents are available from SEDAR at [www.sedar.com](http://www.sedar.com).

Minfocus' disclosure of a technical or scientific nature has been reviewed by Dr. Gerald Harper, P.Geo. (Ontario), *Qualified Person under the definition of National Instrument 43-101*.

**Company Overview and Operations**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on August 6, 2010. The Company completed its initial public offering ("IPO") on October 19, 2010 and was listed on the TSX Venture Exchange ("Exchange") as a capital pool company ("CPC"). The Company's shares began trading on October 21, 2010.

Pursuant to a Share Exchange Agreement dated September 2, 2011, the Company acquired all of the issued and outstanding shares of Minfocus International Ltd. ("Minfocus International") in exchange for common shares of the Company. The transaction received Exchange approval and closed effective January 20, 2012 and the Company's shares resumed trading on the Exchange under the symbol "MFX" on January 25, 2012. The Company is classified as a Tier 2 Mineral Exploration company.

Minfocus International is a private company incorporated under the laws of Canada and is an exploration stage company principally engaged in the business of exploring and developing base metals (zinc, lead, copper and nickel) and platinum-group elements (PGE) (platinum, palladium and rhodium) mineral properties. The Company currently holds interests in the Coral Zinc Project, the Myst Metals Nickel Property and the Peregrine Project, all located in British Columbia, as well as the Nipigon Reefs PGE Property in the Thunder Bay Mining Division of Northwestern Ontario.

In May 2017, the Company completed agreements for the settlement of outstanding related party debt held by its directors and officers and companies controlled by directors and officers totaling \$462,344 in exchange for the issuance of 9,246,895 common shares of the Company at a deemed value of \$0.05 per share. The debt settlement transactions were approved by the TSXV and the shares were issued in June 2017.

In June 2017 the Company raised \$77,500 by way of a private placement through the issuance of 3,100,000 units at \$0.025 per unit, comprising 1,600,000 flow-through units and 1,500,000 non flow-through units. Each flow-through and non flow-through unit comprised one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years from the date of closing of the private placement, subject to certain acceleration provisions. The Company paid a finder's fee of \$3,800 and issued 32,000 finders' warrants in relation to the financing.

In June 2017, the Company issued 600,000 shares under the Nipigon Reefs Property option agreement referred to below. Consequently, the Company extended the date for it to incur \$250,000 in expenditures on the project for one year to September 30, 2018. In August 2017 the company issued 400,000 shares to acquire an initial 20% interest in the Coral Zinc Project pursuant to the Coral option agreement..

## Mineral Properties

### *Coral Zinc Project, British Columbia*

In January 2015, the Company entered into an agreement under the terms of which it has an option to earn up to an initial 60% interest in the Coral Zinc Project, a zinc exploration project comprising approximately 3,600 hectares situated in northeastern British Columbia. The optioned tenures are also subject to work and payment commitments to the vendors as shown in the table below in order to earn the up to a 60% interest in the mineral rights. The Coral tenures are in good standing with the BC Ministry of Energy & Mines until September 2024. Two of the optionors are directors and officers of the Company.

January 19, 2015	Contract signed.	Completed
by September 30, 2015	Commitment to incur \$50,000 of expenditures.	Completed
by September 30, 2016	Commitment to incur an additional \$100,000 of expenditures.	Completed
by September 30, 2017	Commitment to incur an additional \$300,000 of expenditures and pay the optionors consideration that is the equivalent of \$20,000 cash and/or shares, at which stage the Company will be deemed to have earned a 20% interest (400,000 shares issued).	Completed
by September 30, 2018	Commitment to incur an additional \$550,000 of expenditures and pay the optionors consideration that is the equivalent of \$40,000 cash and/or shares, at which stage the Company will be deemed to have earned a 40% interest.	Pending
by September 30, 2019	Commitment to incur an additional \$1,000,000 of expenditures and pay the optionors consideration that is the equivalent of \$100,000 cash and/or shares, at which stage the Company will be deemed to have earned a 60% interest.	Pending

After the Company has earned the 60% interest, should the optionors not contribute their full pro-rata share of any work program expenditures, the Company can earn an additional 10% interest by expending an additional \$1,000,000 within two years thereafter. The Project is subject to a 3% Net Smelter Royalty of which 2% can be bought for \$4,000,000. During the year ended February 28, 2017, the Company allowed certain claims to lapse and as compensation, issued 500,000 shares to the vendors, valued at \$5,000. In August 2017, the Company issued 400,000 shares to acquire an initial 20% of the property.

### *Myst Metals Nickel Property, British Columbia*

In October 2014, the Company entered into a letter of agreement under the terms of which it has an option to earn a 100% interest in the Myst Metals Property, a nickel project comprising approximately 689 hectares situated in northern British Columbia. To earn the interest, the Company is required to make cash payments of \$7,000 and issue 400,000 shares to the optionor over a period of two years. The monies have been paid and the shares issued, thereby earning the Company its 100% interest. In addition, the Company was required to have completed and filed sufficient work by July 2, 2015 on the property to maintain the tenure in good standing until May 2018. The work was completed in June 2015. The optionor would retain a 2% net smelter royalty on production from the property. During the year ended February 28, 2015, the Company also made a PIED (cash in lieu of assessment work) payment of \$3,417 to maintain the property.

### *Nipigon Reefs PGE Property, Ontario*

The property comprises the claims previously referred to as the Springlet Lake Prospect plus the Seagull North Prospect, which was optioned, and additional unpatented claims that were subsequently staked for the Company. All unpatented claims are subject to minimum annual work commitments of \$400/unit and if those work commitments are not met, these claims will begin to expire November 2017. The optioned claims are also subject to work and payment commitments to the vendors: Canadian International Pharma Corp., Rainy Mountain Royalty Corp. and White Metal Resources as shown in the table below in order to earn the initial 55% interest in the mineral rights.

February 22, 2011	Contract signed.	Completed
by February 28, 2011	Aggregate cash payments of \$55,000 (paid) and issuance of 50,000 common shares (issued and valued at \$20,000).	Completed
by February 22, 2012 (amended below)	Consideration that is the equivalent to \$25,000 in cash and/or shares of the Company (paid in shares); and incur an aggregate of \$250,000 of expenditures (amended below).	Completed
by April 30, 2012	Minimum commitment to incur \$250,000 of aggregate expenditures per above extended from February 22, 2012 to April 30, 2012 (incurred).	Completed
by February 22, 2013	Consideration that is the equivalent of \$25,000 cash and/or shares of the Company; and incur an additional \$250,000 of expenditures (incurred).	Completed
by February 22, 2014 (amended below)	Consideration that is the equivalent of \$25,000 cash and/or shares of the Company (paid in shares); and incur an additional \$250,000 of expenditures (amended below).	Completed
by August 31, 2014	Commitment to incur an additional \$250,000 of expenditures per above extended from February 22, 2014 to August 31, 2014 (incurred).	Completed
by February 22, 2015 (amended below)	Commitment to incur an additional \$250,000 of expenditures by February 22, 2015 extended to September 30, 2015. As consideration for the extension, the company issued 1,000,000 shares to the optionors.	Common shares issued
by September 30, 2015 (amended below)	Commitment to incur an additional \$250,000 of expenditures by September 30, 2015 extended to September 30, 2017. As consideration for the extension, the Company issued 500,000 common shares to the optionors.	Common shares issued
by September 30, 2017 (amended below)	Commitment to incur an additional \$250,000 of expenditures by September 30, 2017 extended to September 30, 2018. As consideration for the extension, the Company issued 600,000 common shares to the optionors.	Common shares issued
by September 30, 2018	Incur an additional \$250,000 of expenditures as extended from September 30, 2017 above.	Pending

Also, under the amended option agreement, the option period has been extended to September 30, 2019, by which time if the Company makes a cumulative expenditure balance of \$3,000,000, it may earn a 70% undivided interest in the mineral rights. Thereafter each Optionor has the right to contribute its proportion of ongoing expenditures or forfeit its proportionate interest and convert to a 1% royalty, which royalty may be purchased by the Company under certain conditions.

If the Company is unable to raise adequate financing or obtain an extension of time to fulfill its obligations under the option agreement, the Company's ability to maintain part or all of the property would be jeopardized.

#### *Peregrine Project*

The project comprises optioned claims supplemented by claims staked by the Company. In January 2017 the Company entered into an option earn-in agreement on a Mississippi Valley Type ("MVT") Lead-Zinc property, the Peregrine Project, in southeastern British Columbia. The Company can earn a 100% interest in the property over a period of two years by making optional staged payments totaling \$10,000 in cash (paid) and issuing 1,000,000 shares (300,000 issued) plus the grant of a 2% NSR. The Company has the option to repurchase up to 1% of the NSR for \$1.0 million after commercial production. The Peregrine tenures remain in good standing until December 2017.

## Exploration Activities

### *Coral Zinc Project, British Columbia*

In June 2015 the Company undertook an initial field program at the Coral Zinc prospect which located previously discovered mineralized outcrops and a trench that confirmed significant zinc and lead mineralization of up to 6.43% zinc and up to 3.81% lead from the resampling of the rediscovered mineralized trench at Hound Dog Creek, originally excavated in 1985.

The mineralized 1985 trench is located within the area of an eight-hole 1988 diamond drilling program. After cleaning out the trench, chip channel samples were collected at one metre intervals over the full 9.0 metre length yielding an average grade of 3.22% zinc, 0.72% lead and 0.9 grams per tonne of silver. Though the resampling conditions impeded truly evenly spaced samples, the intervals extended over weakly to strongly mineralized bedrock. Three of the nine trench samples assayed 5.86-6.43% zinc, while all other samples exceeded 1.32% zinc, except one at 0.46% zinc. Two samples assayed 2.11% and 3.81% lead.

Prospecting also revealed sufficient points to re-establish the location of the geochemical survey grid (600m x 800m) and provide for accurate location of future drilling to test the very large (300m x 600m) soil anomaly with highly elevated zinc (up to 6680 ppm Zn) along with contiguous anomalous lead and silver values, which is open-ended in at least two directions. The four mineralized drill holes from the 1988 program, and the 1985 trench recently resampled by the Company, are located 50 - 100 metres away from the edge of this large zinc geochemical anomaly.

The Company submitted a Notice of Work application for a permit to undertake a drill program to drill test this zinc soil geochemical anomaly. The B.C. Ministry of Energy and Mines has approved an amended Mines Act permit to Minfocus to allow a drill program of up to twenty drill pads sites (four used in 2016, 16 remaining) which expires in December 2019.

The Company undertook a drill program on the property in the summer of 2016. Nine diamond drill holes were completed from four set-up sites. Drill hole C16-9 intersected two encouraging zones of visible zinc mineralization. Hole C16-9 is located southwest of the trench area and about 300 metres beyond any other drilling. A new zinc mineralized outcrop showing was found about 50 metres northeast of the trench area with horizontal extent of 7 metres and a vertical interval of 1.3 metres. Hole C16-9 was drilled from the last site in the program which was a substantial step out southwest from the Hound Dog Creek trench and intersected an upper interval displaying massive sulphides comprising blebs of sphalerite (zinc sulphide) and pyrite (iron sulphide). Lower down in the hole more sphalerite occurs disseminated through the dolostone host. The first three sites tested the area uphill from the Hound Dog Creek trench across the large zinc geochemical anomaly. These holes intersected stratabound shales, shows and sub-vertical veinlets of sphalerite. The newly excavated outcrop showing and the 1988 and 2016 drill intersections are all at the same stratigraphic position which demonstrate mineralization over an area of more than 300 x 100 metres and open ended.

Below is a summary of the assay results from the key drill core intervals from the 2016 drill program.

Hole #	From (m)	To (m)	Core Length (m)	% Zinc	Drill Collar Coordinates (UTM) Zone 10		Hole Angle (deg)	Azimuth Bearing (deg)
					North	East		
C16-09	37.6	38.7	1.1	2.47%	6223767	475756	-90	0
C16-09	46.9	50.9	4.0	0.97%	6223767	475756	-90	0
C16-06	20.2	23.2	3.0	0.38%	6224296	475738	-90	0
C16-03	42.7	43.7	1.0	0.30%	6224004	475799	-60	354

The new showing is located along Hound Dog Creek approximately 50 metres east-northeast of the 2015 Hound Dog Creek Trench, and 8 – 10 metres north of 1988 historic drill hole 88-4, where 4 metres grading 3.5% zinc was intercepted starting 5.1 metres down-hole. The chip sampling of the

new showing extended a total length of 7.0 metres in an East-West direction parallel to Hound Dog Creek, which yielded samples with an average grade of 0.94% zinc over 5.0 metres (including an interval of 2.33% zinc over 1.5 metres), starting from the west end of the outcrop, closest to Hound Dog Creek Trench No.1.

In August 2017, the Company engaged a survey crew to undertake a LiDAR survey to cover an estimated 16 sq km area of the Coral Zinc Project. The survey was completed in October 2017 and the data is currently being processed to provide images and a report on the survey. The target area surveyed was focused on and around the large (600m x 300m) zinc soil geochemical anomaly and the area where mineralized breccias containing up to 7.8% zinc and up to 3.8% lead have been identified from prior trenching and drilling. The LiDAR survey is expected to assist in identifying surface expressions of collapsed or karst structures which may reflect enriched zinc and lead mineralization. LiDAR, which stands for Light Detection and Ranging, is a remote sensing method that uses pulsed laser light to measure precise distances to the Earth's surface. Laser information—combined with other data recorded by the airborne system—generates an exact three-dimensional image of the Earth's surface.

Following completion and review of the results of the LiDAR survey, Minfocus intends to undertake additional ground geophysical surveys including gravity on its CORAL Zinc Project in British Columbia to follow up on the encouraging 2016 exploration results targeting zinc and lead mineralization in a low-iron Mississippi-Valley-Type ("MVT") target. Coral is analogous to the geological environment that hosts the prolific zinc-lead mines at Pine Point, NWT. The LiDAR survey and ground geophysical work are designed to enhance selection of drill targets for future drill programs.

#### *Peregrine Project, British Columbia*

In September 2017, the Company completed an initial field program at its Mississippi Valley Type ("MVT") Peregrine Zinc property in southeastern British Columbia. The work relocated an area of historic trenching from which several samples were collected assaying 13.0 to 35.9% zinc. A geochemical soil survey has demonstrated a strong zinc anomaly extending the full 650 metres of the surveyed area.

The initial discovery of lead-zinc mineralization on the Peregrine property dates back to the 1970's with the most recent exploration being historic work from 1986 by Cominco. Regional lead-zinc exploration throughout British Columbia mostly ceased around that time due to poor metal prices.

Historical chip sampling of a showing by Cominco, in 1986, using 1-metre intervals, channeled obliquely across breccia zones in the Cambrian-age Jubilee Formation, assayed 11.7% Zn over 1.7 m. Historical geochemical surveys indicate widespread very high zinc values in soils. Anomalous soil analyses ranged from 5,000 to 30,000 ppm Zn and from 100 to 1,500 ppm Pb. All assays and analyses were performed at Cominco's exploration laboratory in Vancouver, B.C.

Minfocus' exploration team relocated the showing and collected several grab samples from the zinc mineralized exposures in the blasted area with results as shown below:

Sample	Zinc %	Lead %	Iron %	Silver ppm
27	26.9	0.28	1.67	10
28	35.9	0.28	4.11	16
30	19.1	0.44	1.25	12

The very low iron content demonstrates the attractiveness of this mineralization as being low iron sphalerite mineralization which is preferred by smelters and is characteristic of many Mississippi Valley type zinc deposits.

The team also soil sampled an area of 1,000 x 700 metres along the strike of the potential mineralization host and identified a strong soil anomaly along 650 metres of the favourable host horizon. The highest zinc values were over 3,000 parts per million ("ppm") and were supported by a coincident lead anomaly. Analyses were all undertaken by Activation Laboratories Ltd. For more

information on the Peregrine property and results of the soil survey the reader should visit the Company website at [www.minfocus.com](http://www.minfocus.com).

*Myst Metals Nickel Property, British Columbia*

In June 2015, the Company undertook an initial field program at the Myst Metals Nickel prospect during which a preliminary geological survey was undertaken to identify prospective geological environments for nickel containing awaruite and other nickel minerals and also PGE's. Samples were collected and a selection of these samples were submitted for both mineralogical and chemical analyses. Preliminary mineralogical work indicates that awaruite is present as fine-grained disseminations within serpentinized dunites. The work undertaken on the property is sufficient to maintain the tenure in good standing until May 2018.

*Nipigon Reefs PGE Property, Ontario*

In February and March 2012 the Company undertook a winter drilling program on its optioned Seagull North Prospect claims which form part of its Nipigon Reefs project in northwestern Ontario which is road accessible only 80 km north of Thunder Bay, Ontario, and 15 km north of the nearby Current Lake PGE deposit (+700,000 oz Pt-Eq) of Panoramic Resources Ltd. Drilling targeted extensions of the previously identified multiple layers of mineralization with platinum group elements, gold, copper and nickel. Minfocus has constructed a new geological model of the Nipigon Reefs by incorporating and reinterpreting a broader database of historic drilling than prior groups have used previously, which suggests that the mineralised layers could be much more extensive than previously interpreted.

The drilling and assaying confirmed the existence of multiple layers of PGE mineralisation and suggested that some historic holes had not been sampled adequately and therefore additional sampling of some of the available core from old holes was completed. On August 7th, 2012 the Company announced that ongoing sampling of drill core from holes WM12-34 to WM12-37 had returned additional significant intercepts with lengths up to 5.0 metres long with PGE grades up to 2.47 g/t 3E (3E=Pt+Pd+Au assays).

In summer 2013 a program of hand augering of holes around historic trenches was undertaken to confirm historic anomalous values in platinum and palladium. This was successful in expanding an area of anomalous platinum and palladium values in unusually weathered host rock. Mapping, geochemical and geophysical studies are in progress to identify the source areas for the PGE mineralization.

Mapping in 2013 and 2014 has been directed at areas with inadequate information to confirm the historic interpretation of the platinum and palladium bearing host rocks and has resulted in a re-interpretation of the host environment to one where north-northwesterly trending faults creating a block faulted system are prominent and will determine where the platinum-palladium horizons can be projected to surface.

In June 2014 a trenching program delineated the basal contact of the mafic - ultramafic layered complex but it did not host elevated PGE values.

*General*

As of August 31, 2017, total accumulated acquisition, exploration and evaluation expenditures for the mineral properties were as follows:

<b>Property</b>	<b>February 28, 2017</b>	<b>Additions</b>	<b>Write-down</b>	<b>August 31, 2017</b>
Coral	401,226	18,463	-	419,689
Myst Metals	37,779	-	-	37,779
Nipigon Reefs	1,433,051	10,800	-	1,443,851
Peregrine	7,000	32,550	-	39,550
<b>Total</b>	<b>\$ 1,879,056</b>	<b>\$ 61,813</b>	<b>\$ -</b>	<b>\$ 1,940,869</b>

## Results of Operations

The Company incurred a net loss of \$19,383 (\$0.00 per share) for the six months ended August 31, 2017, compared with a loss of \$60,370 (\$0.00 per share) during the comparative period in 2016. No revenues were earned in either period.

Professional fees totalled \$3,037 in the 2017 period and \$16,199 in 2016. Office and administrative costs reduced from \$40,306 in 2016 to \$32,906 in 2017. The Company incurred interest costs of \$2,570 in the 2017 period and \$2,300 in 2016, resulting primarily from the related party loan discussed below. The Company wrote off \$20,783 in accounts payable as a result of a settlement agreement with the creditor in the 2017 period.

The Company earned net income of \$2,144 (\$0.00 per share) for the quarter ended August 31, 2017, compared with a loss of \$29,040 (\$0.00 per share) during the same quarter in 2016. No revenues were earned in either period.

Professional fees were \$1,458 in the 2017 quarter, down from \$8,051 in 2016. Office and administrative costs amounted to \$16,692 in 2017, compared to \$18,601 in 2016. The Company incurred \$60 in interest in the 2017 quarter and \$1,605 in 2016, resulting primarily from the related party loan discussed below. The Company wrote off \$20,783 in accounts payable as a result of a settlement agreement with the creditor in the 2017 quarter.

## Summary of Quarterly Results

The following selected information has been extracted from the Company's unaudited quarterly financial statements. All amounts stated are stated in Canadian dollars in accordance with IFRS.

Quarter ended	Net loss (income)	Per share
	\$	\$
November 30, 2015	38,999	0.00
February 29, 2016	31,995	0.00
May 31, 2016	31,330	0.00
August 31, 2016	29,040	0.00
November 30, 2016	33,481	0.00
February 28, 2017	65,727	0.00
May 31, 2017	21,527	0.00
August 31, 2017	(2,144)	0.00

The February 28, 2017 quarter includes \$18,354 in stock based compensation. The August 2017 quarter includes a write-off of accounts payable of \$20,783

## Liquidity and Capital Resources

The Company is dependent on raising funds by the issuance of shares, borrowings or subsequent disposition of interests in mineral properties it may own or otherwise acquire in order to finance further acquisitions, undertake exploration of other mineral properties and meet general and administrative expenses in the immediate and longer term.

As at August 31, 2017, the Company had cash of \$30,315 as compared to \$7,129 at February 28, 2017. The Company had a working capital deficit of \$86,410 at August 31, 2017, compared with a deficit of \$567,508 at February 28, 2017.

As noted above, in June 2017, the Company settled \$462,344 in related party debt comprising various account balances and the aforementioned loan debt, by way of issuing 9,245,895 common shares of the Company, and wrote off an additional \$20,783 of related party debt.

In June 2017 the Company raised \$77,500 by way of a private placement through the issuance of 3,100,000 units at \$0.025 per unit as discussed above. The Company paid a finder's fee of \$3,800 and issued 32,000 finders' warrants in relation to the financing.

The future funding needs of the Company are dependent upon the Company's ability to obtain additional equity and/or debt financing. The inability to raise adequate financing would jeopardize the Company's ability to maintain its property. The Company continues to closely monitor its ongoing requirements and to explore all methods of raising additional funds. There can be no certainty that such additional funds may be raised when required.

### Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

(a) During the period ended August 31, 2017, the Company was charged \$8,875 (2016 - \$6,000) by DeRandt Enterprises Inc., a company controlled by Kenneth de Graaf, a director and officer of the Company and by Gamah International Inc., a company controlled by Gerald Harper, a director and officer of the Company, for administrative and geological consulting services.

(b) Officers and directors of the Company and companies controlled by such individuals were owed \$41,916 as at August 31, 2017 (February 28, 2017 – \$333,741) for services rendered and for expenses incurred in the ordinary course of business. This amount is unsecured, non-interest bearing with no fixed terms of repayment. In June 2017, the Company wrote of \$20,783 and issued 6,445,871 common shares to settle \$322,294 of amounts due to officers and directors.

(c) The Company entered into a loan agreement with Gerald Harper, a director and officer, on November 13, 2015. The balance owing under the agreement at August 31, 2017 amounted to \$Nil (February 28, 2017- \$106,975). Interest of \$2,227 was paid on the loan for the period ended August 31, 2017 (August 31, 2016 - \$1,803). In June 2017, the Company issued 2,801,024 common shares to settle the balance of \$140,051 due under the agreement.

(d) January 2015, the Company entered into an option agreement allowing it to acquire up to a 70% interest in the Coral Zinc Project as discussed in Note 7. Two of the optionors, Gerald Harper and Kenneth de Graaf, who together have a 50% interest in the claims ownership, are directors and officers of the Company. In August 2017, the Company issued 200,000 shares to those directors and officers as part of the shares issued to acquire a 20% interest in the project.

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows.

<b>For the periods ended August 31, 2017 and 2016</b>	<b>2017</b>	<b>2016</b>
Aggregate compensation - cash	\$ 14,750	\$ 41,000

The cash compensation was paid to the Senior Vice President for administrative services.

### Outstanding and Convertible Common Shares

The Company's authorized share capital is unlimited common shares without par value. As at the date of this report, the Company's issued share capital was comprised of 72,487,487 common shares.

The following table summarizes information about stock options outstanding and exercisable at the date of this report:

Number of Shares	Exercise Price	Expiry Date	Exercisable
1,100,000	\$0.10	March 18, 2018	1,100,000
1,700,000	\$0.10	December 19, 2021	1,700,000
2,800,000			2,800,000

The following table summarizes information about warrants outstanding and exercisable at the date of this report:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants
3,400,000	\$0.10	June 28, 2018	3,400,000
32,000	\$0.025	June 28, 2018	32,000
5,380,000	\$0.10	July 7, 2018	5,380,000
286,400	\$0.025	July 7, 2018	286,400
1,220,000	\$0.10	July 15, 2018	1,220,000
64,000	\$0.025	July 15, 2018	64,000
3,100,000	\$0.10	June 30, 2019	3,100,000
32,000	\$0.025	June 30, 2019	32,000
13,514,400			13,514,400

## Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at August 31, 2017, the Company had an available cash balance of \$30,315 to settle current liabilities of \$124,079. All of the Company's remaining financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company recently raised a gross amount of \$77,500 by way of a private placement as described above.

### *Market risk*

#### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt, other than the debt owing to a director discussed above. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

#### (b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

#### (c) Commodity price risk

The Company is exposed to price risk with respect to market prices of base metals and precious metals, particularly zinc, lead, nickel, platinum and palladium. Commodity price risk is defined as the potentially adverse impact on earnings and economic valuations of the Company's mineral assets due price movements and volatilities of these commodities. The Company closely monitors the commodity prices relevant to the Company's mineral assets to determine appropriate courses of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised of GST/HST receivable due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

*Sensitivity analysis*

As of August 31, 2017, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature.

Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material movements for the period ended August 31, 2017 as a result of changes in interest and foreign exchange rates.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of base and precious metals, particularly zinc, lead, nickel, platinum and palladium. The prices of these metals have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of base and precious metals, particularly zinc, lead, nickel, platinum and palladium may be produced in the future, a profitable market will exist for them. As of August 31, 2017 the Company was not a producer of any metals. As a result, base and precious metals, particularly zinc, lead, nickel, platinum and palladium price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Significant Accounting Policies and Estimates**

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances, and require judgement on matters which are inherently uncertain. Details of the Company's significant accounting policies and new standards not yet adopted by the Company can be found in the audited financial statements for the year ended February 28, 2017.

**Investor Relations Activities**

The Company does not have any investor relations arrangements.

**Forward Looking Statements**

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward-looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward-looking statements.

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at [www.sedar.com](http://www.sedar.com).