

INOMIN MINES INC.
(formerly Inovent Capital Inc.)
(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTH PERIOD ENDED
SEPTEMBER 30, 2017

Management's Discussion and Analysis
For the six month period ended September 30, 2017
Discussion dated: November 17, 2017

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated November 17, 2017, unless otherwise indicated and should be read in conjunction with the audited financial statements of Inomin Mines Inc. (formerly Inovent Capital Inc.). ("**Inomin**", the "**Company**", "**we**", "**our**" or "**us**") for the year ended March 31, 2017, and the related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are reported in Canadian dollars.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Director's Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating, and internal control matters.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Inomin common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedar.com.

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Forward-Looking Statements

This MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as at November 17, 2017.

Forward-looking statement often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting", and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievement expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the headline "RISK FACTORS" as disclosed elsewhere in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by securities legislation. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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Description of Business

Inomin Mines Inc. was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012. The Company's principal purpose is the acquisition, exploration and evaluation of mineral properties and related business opportunities. The Company holds a 100% interest in the King's Point polymetallic (gold-copper-zinc) property in Newfoundland ("King's Point" or the "Property"). To date, the Company has not earned revenues and is considered to be in the exploration stage and will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. The Company is pursuing such additional sources of financing estimated to be required to sufficiently support its operations until such time that its operations become self-sustaining. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company's registered office is Suite 1800 – 510 West Georgia Street, Vancouver, British Columbia, Canada.

The Company's Board of Directors is comprised of Evilio Gomez-Garcia (CEO), George Pietrobon (CFO), Ari Shack (Corporate Secretary), Robert Baylis and Bruce Winfield. See also Significant Events (e).

The Directors' and Officers' options to purchase 480,000 common shares were granted to the Directors and Officers at closing of the initial public offering at a price of \$0.10 per share to be exercised on or before December 18, 2018. See also Significant Events (e).

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-Venture Exchange requirements, grant to Directors, Officers, and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to 5 years from the date of grant.

During the three month period ended June 30, 2017, the Company granted 700,000 stock options to Directors and Officers which entitle the holder to acquire common shares at a price of \$0.10 per common share, to be exercised on or before April 18, 2022. See also Significant Events (e).

As at September 30, 2017 and as at the date of this MD&A no stock options have been exercised.

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Selected Quarterly Information

Period	Three months ended September 30, 2016 (\$)	Three months ended September 30, 2017 (\$)	Six months ended September 30, 2016 (\$)	Six months ended September 30, 2017 (\$)
Total expenses	(24,059)	(30,421)	(32,831)	(82,924)
Net loss for the period	(24,059)	(52,921)	(32,831)	(115,424)
Basic and diluted earnings per share	(0.005)	(0.005)	(0.007)	(0.010)

Results of Operations

The Company's net loss totalled \$52,921 for the three month period ended September 30, 2017 with basic and diluted loss per share of \$0.005. The net loss principally related to charges for management fees and loss from expiration of Jetlines warrants.

The Company's net loss totalled \$24,059 for the three month period ended September 30, 2016, with basic and diluted loss per share of \$0.005. The net loss principally related to charges for professional fees and preparation of a National Instrument 43-101 report on the King's Point Property.

Liquidity

The Company's cash and term deposit on hand decreased to \$313,889 at September 30, 2017 from \$436,205 at March 31, 2017. The Company had a working capital of \$253,411 at September 30, 2017 compared to a working capital of \$339,346 at March 31, 2017.

The Company's current asset balance of \$316,151 (March 31, 2017 - \$458,705) is comprised of cash and term deposit of \$313,889 (March 31, 2017 - \$436,205), temporary investment of \$Nil (March 31, 2017 - \$22,500) and goods and services tax receivable of \$2,262 (March 31, 2017 - \$Nil).

The Company has current liabilities of \$62,740 (March 31, 2017 - \$119,359). All outstanding accounts payable and accrued liabilities relate mainly to professional fees.

As of the date of this MD&A, the Company does have sufficient working capital to meet its ongoing financial obligations for the coming year. However, there are also going concern uncertainties relating to the Company (refer to Risk Factors).

The Company has no long term debt, capital lease obligations, operating leases, or any other long term obligations.

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Summary of Quarterly Results

	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017	Three Months Ended December 31, 2016
Total cash	\$ 313,889	\$ 361,845	\$ 436,205	\$ 29,075
Working capital (deficiency)	251,149	308,332	339,346	(147,123)
Shareholders' equity (deficiency)	477,473	530,394	559,908	(147,123)
Loss for the period	(52,921)	(62,503)	(34,808)	(53,892)
Loss per share	(0.005)	(0.007)	(0.005)	(0.011)

	Three Months Ended September 30, 2016	Three Months Ended June 30, 2016	Three Months Ended March 31, 2016	Three Months Ended December 31, 2015
Total cash	\$ 59,344	\$ 65,540	\$ 79,478	\$ 89,222
Working capital (deficiency)	(93,231)	(69,172)	(60,400)	(53,527)
Shareholders' equity (deficiency)	(93,231)	(69,172)	(60,400)	(53,527)
Loss for the period	(24,059)	(8,772)	(6,873)	(7,876)
Loss per share	(0.005)	(0.002)	(0.001)	(0.002)

Fiscal 2018 (Year Ended March 31, 2018)

During the second quarter of fiscal 2018 (three months ended September 30, 2017), the Company's loss decreased to \$52,921 from a loss of \$62,503 incurred during the three months ended June 30, 2017. The net loss principally related to charges for management fees and loss from expiration of Jetlines warrants.

During the first quarter of fiscal 2018 (three months ended June 30, 2017), the Company's loss increased to \$62,503 from a loss of \$34,808 incurred during the three months ended March 31, 2017. The net loss principally related to charges for share-based compensation and management fees.

Fiscal 2017 (Year Ended March 31, 2017)

During the fourth quarter of fiscal 2017 (three months ended March 31, 2017), the Company's loss decreased to \$34,808 from a loss of \$53,892 incurred during the three months ended December 31, 2016. The net loss principally related to charges for professional fees.

During the third quarter of fiscal 2017 (three months ended December 31, 2016), the Company's loss increased to \$53,892 from a loss of \$24,059 incurred during the three months ended September 30, 2016. The net loss principally related to charges for professional fees and listing fees.

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Summary of Quarterly Results (continued)

During the second quarter of fiscal 2017 (three months ended September 30, 2016), the Company's loss increased to \$24,059 from a loss of \$8,772 incurred during the three months ended June 30, 2016. The net loss principally related to charges for professional fees and technical report on King's Point Property.

During the first quarter of fiscal 2017 (three months ended June 30, 2016), the Company's loss increased to \$8,772 from a loss of \$6,873 incurred during the three months ended March 31, 2016. The net loss principally related to charges for professional fees and filing fees.

Fiscal 2016 (Year Ended March 31, 2016)

During the fourth quarter of fiscal 2016 (three months ended March 31, 2016), the Company's loss decreased to \$6,873 from a loss of \$7,876 incurred during the three months ended December 31, 2015. The net loss principally related to charges for professional, filing and listing fees.

During the third quarter of fiscal 2016 (three months ended December 31, 2015), the Company's loss increased to \$7,876 from a loss of \$18,844 incurred during the three months ended September 30, 2015. The net loss principally related to charges for professional fees.

Significant Events

(a) Financing

As reflected in the Filing Statement for a Qualifying Transaction ("QT") dated January 20, 2017, in accordance with the policies of the Exchange, the Company arranged a Non-brokered Private Placement Financing consisting of 7,903,459 Units of the Company at a price of \$0.07 per unit, for gross proceeds of \$553,242 (the "Financing"). The Financing closed concurrent with and to provide funding for the Company's acquisition of a 100% interest in the King's Point gold Property in Newfoundland, which constituted the Company's QT under the rules of the Exchange's respecting Capital Pool Companies.

Each Unit of the financing consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional share at a price of \$0.10 for a period of 2 years ending January 30, 2019. Finder's fees paid under the financing consist of \$3,903 in cash and the issuance of 55,760 warrants exercisable at \$0.10 for two years.

The proceeds of offering will be used to continue an exploration program at the Property, including payment for certain costs of the offering and QT, and for general working capital purposes.

A NI43-101 Technical Report on the Property was prepared for Inomin by L. John Peters, P. Geo. The Report recommends a \$200,000 Phase 1 exploration program and a \$600,000 success contingent Phase 2 program that would include drilling.

(b) Change of Name and Trading

The Company changed its name to Inomin Mines Inc. and trading symbol to MINE to reflect the change in the Company's business as a result of completion of its Qualifying Transaction.

The Company recommenced trading at the open on February 2, 2017 under its new name and new trading symbol, and is no longer considered a Capital Pool Company.

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Significant Events (continued)

(c) *Settlement of Litigation*

On September 30, 2015, the Company and Canada Jetlines Ltd. ("Jetlines") completed their litigation settlement agreement whereby Jetlines settled the refundable deposit in full by paying the Company \$105,000 and issuing 300,000 warrants entitling the Company to purchase 300,000 Jetlines common shares at price of \$0.333 per share for a period of two years ending September 30, 2017. As at March 31, 2017, the warrants were assessed a fair value of \$22,500. As the value of Jetlines' shares did not exceed \$0.33 per share, the warrants expired unexercised on September 30, 2017.

(d) *Stock Options*

During the three month period ended June 30, 2017, the Company granted 700,000 stock options to Directors and Officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years, expiring on April 18, 2022.

The 700,000 stock options is distributed as follows:

<u>Name of Director</u>	<u>Number of Options</u>	
Evilio Gomez-Garcia	205,000	
Bruce Winfield	175,000	
Ari Shack	80,000	
Robert Baylis	80,000	
George Pietrobon	80,000	
	<u>620,000</u>	
<u>Name of Former Director</u>	<u>Number of Options</u>	
David Brett	80,000	(see below (e))
	<u>700,000</u>	

- (e) On August 2, 2017, Mr. David Brett resigned as Director of Company due to demands of his other work commitments. The options granted to him in connection with the IPO to purchase 96,000 common shares at \$0.10 per share as well as those granted to him under the Incentive Share Option Plan of Company to purchase 80,000 common shares at \$0.10 per share cancelled on October 31, 2017.

Exploration and Evaluation Assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing.

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Exploration and Evaluation Assets (continued)

Acquisition of King's Point Property

On August 12, 2016, Inomin Mines Inc. signed a definitive agreement to acquire 100% of the King's Point Property in the Green Bay area of Newfoundland for a one-time payment of 2,750,000 escrowed common shares of, Inomin at \$0.07 per share and a 2.5% NSR in favour of the vendor, of which NSR 1.5% can be purchased by Inomin for \$1 million.

Comprising 129 claims covering 3,225 hectares within two separate blocks, the Property hosts several priority mesothermal gold and "Buchans Type" VMS exploration targets in an established precious and base metal mineral belt, including the Golden Anchor mesothermal gold prospect, the former Rendell-Jackman copper producer, and the Beetle Pond zinc prospect. The region has excellent infrastructure, and services are available from the nearby communities of King's Point and Springdale.

The acquisition of the King's Point Property received final Exchange acceptance and closed effective January 20, 2017. On January 31, 2017 the Company also entered into an Operator Agreement with the vendor to operate exploration and mining programs under the Company's direction and at its discretion on the King's Point Property for a period of 2 years. Pursuant to the Operator Agreement, the Company will pay a management fee to the operator equal to 10% of all exploration expenditures defined under the terms of the agreement except for contracts in excess of \$100,000, for which a management fee of 5% will be paid.

Acquisition costs			\$ 192,500
Exploration costs	to March 31, 2017	28,062	
	April 1 to June 30, 2017	1,500	
	July 1 to September 30, 2017	<u>2,000</u>	<u>31,562</u>
Balance, September 30, 2017			\$ <u>224,062</u>

Costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. Each of the Company's exploration and evaluation assets are considered to be a cash generating unit. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the property, or the property is abandoned, the property is written down to its recoverable amount.

The carrying amounts reported for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

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Exploration and Evaluation Assets (continued)

Exploration

During the three month period ended September 30, 2017, the Company initiated exploration at the Beetle Pond zinc target, one of eight main mineral areas at the Company's King's Point project in the Springdale area of Newfoundland. A program of line-cutting, soil geochemistry and high-resolution ground magnetometer surveys will be performed in an area around the Beetle Pond zinc prospect.

The exploration is designed to extend previously identified gold and multi-element soil geochemistry anomalies coincident with Induced Polarization (IP) anomalies and magnetic structures that were identified in the Company's 2016 field program. The line-cutting is also in preparation for a geophysical program over Beetle Pond.

Located just south of the Golden Anchor gold zone, Beetle Pond is within a large base metal geochemical anomaly measuring in excess of 1.5 kilometres. A strong IP anomaly extends approximately 700 meters across the mineral showing and off the target to the northwest. Limited shallow drilling intersected highly chloritized felsic volcanics with widespread, visually impressive alteration, and disseminated and narrow massive sulphide mineralization containing an intersection of 1.6% zinc over 2 metres.

With inventory levels approaching critical low levels, zinc prices are at a five year high and Company is fortunate to have multiple zinc and gold exploration targets at King's Point.

Capital Resources and Management

The Company manages its capital structure and makes adjustments to it, based on available funds to the Company. Management believes the Company's working capital is presently sufficient for the Company to meet its near-term objectives.

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to any externally-imposed capital requirements.

Off-Balance Sheet Arrangements

At of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

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Related Party Transactions

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There were no remuneration of directors and other members of key management personnel during the six month period ended September 30, 2016.

During the six month period ended September 30, 2017,

- (i) the Company granted 700,000 stock options to Directors and officers as described in Significant Events (d). Total share-based compensation was valued at \$32,989.
- (ii) the Company provides compensations to its Chief Executive Officer, Chief Financial Officer and Secretary, or companies controlled by each of them, monthly fees of \$3,000 for the CEO, \$2,000 for the CFO and \$1,000 for the Corporate Secretary commencing April 1, 2017.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. This Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company was incorporated on August 23, 2012, but has not as yet commenced commercial operations. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein.

Also, the Company has not been able to identify a known body of commercial grade ore on its exploration and evaluation asset. The ability of the Company to realize the costs it has incurred to date on the exploration and evaluation asset is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation asset. To date, the Company has not earned revenues and is considered to be in the exploration stage.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

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Risk Factors (continued)

Directors and Officers

The Directors and Officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the Directors and Officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management

The Company is relying solely on the past business success of its Directors and Officers to design and carryout appropriate exploration programs on its exploration and evaluation asset. The success of the Company is dependent upon the efforts and abilities of its Directors and Officers. The loss of any of its Directors or Officers could have a material adverse effect upon the business and prospects of the Company.

Foreign Acquisition

In the event the Company identifies a foreign business or acquisition, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Outlook

The King's Point gold-base metals project is within the prolific Catcher's Pond Greenstone Belt in the Green Bay area of Newfoundland, noted for high-grade gold deposits. The property comprises 3,225 hectares in two separate claim blocks (North and South Blocks) that host several priority "Buchans-style" VMS exploration targets, as well as intermediate-stage targets including the Golden Anchor mesothermal gold prospect, the former Rendell-Jackman copper producer, and the Beetle Pond zinc prospect. These targets are near the high-grade Hammerdown gold deposit and the Lochinvar VMS deposit. The region has excellent infrastructure and accessibility, located only minutes from the communities of King's Point and Springdale, the mining hub of Newfoundland.

In autumn, exploration started in the Beetle Pond area, a Volcanogenic Massive Sulphide (VMS) target. The program consisted of line-cutting, soil geochemistry and high-resolution ground magnetometer surveys. The exploration was designed to extend previously identified base and precious metals soil geochemistry anomalies, coincident with Induced Polarization (IP) anomalies and magnetic structures that were identified in the Company's 2016 field program.

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Outlook (continued)

In addition to exploration at King's Point, the Company intends to identify and evaluate other mineral properties for possible acquisition. During the three month period ended September 30, 2017, the Company engaged Discover Geological Consultants Inc. to identify mineral projects in Latin America for potential acquisition.

Positive exploration results at the Property and/or a new project acquisition, offer opportunities to increase the Company's assets and shareholder value.

The Company monitors its spending and will amend its plans based on business opportunities that may arise in the future.

The technical disclosures herein have been reviewed and approved by Mr. Bruce Winfield, M.Sc., PGeo, a director of the Company and a qualified person as defined in National Instrument 43-101.

Share Capital

As of the date of this MD&A, the Company had 15,518,259 issued and outstanding common shares.

Total shares held in escrow as at September 30, 2017 are 3,787,500 shares (September 30, 2016 – 5,050,000). Escrow shares will be released as follows:

- 10% with completion of the Company's QT on January 20, 2017 (completed); and
- 15% on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the closing date of the QT.

Total warrants outstanding and exercisable as at September 30, 2017 are 7,959,219 warrants which entitles the holder to purchase one additional share at a price of \$0.10 per share until January 30, 2019.

Financial Instruments and Risks

(a) Classification of financial instruments

The Company's financial instruments consist of cash, temporary investment and accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which are measured at amortized cost. The Company's temporary investment is classified as fair value through profit and loss. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, and accounts payable and accrued liabilities as at June 30, 2017 approximate their fair value due to their short term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not observable for the asset or liability.

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Financial Instruments and Risks (continued)

(b) Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

(i) Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions.

(ii) Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of currency risk, interest rate risk and other price risk. The Company is not exposed to any significant market risk.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. As at September 30, 2017, The Company has cash and term deposit of \$313,889 to settle liabilities of \$62,740 which are subject to normal trade terms.

The Company will have sufficient working capital to meet its ongoing financial obligations for the coming year.

Critical Accounting Estimates and Judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ significantly from these estimates.

Critical judgements

Significant judgements made by management affecting the financial statements include:

Going concern

The preparation of the financial statements requires management to make judgements regarding the going concern of the Company as previously discussed in the description of business.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

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Critical Accounting Estimates and Judgements (continued)

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates made by management affecting the financial statements include:

Share-based payments and share issue costs

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also required determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the stock-options granted and the finder's warrants issued during the year was determined using the Black-Scholes Option Pricing Model.

Recent Accounting Pronouncements

The following are new and revised accounting pronouncements that have been issued but are not yet effective and which are expected to be applicable to the Company. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

IFRS 9 Financial Instruments (effective for years beginning on or after January 1, 2018)

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

Additional information relating to the Company is available on SEDAR at www.sedar.com.