INDEPENDENCE GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, FORM 51-502F1
For the year ended December 31, 2018

This Management's Discussion and Analysis ("**MD&A**") compares the financial results of Independence Gold Corp. and its wholly-owned subsidiaries, Golden Pavilion Resources Ltd. and Silver Quest Resources (US) Ltd. (collectively, "**Independence**" or the "**Company**") for the twelve months ended December 31, 2018 ("**fiscal 2018**") with the comparable period in 2017 ("**fiscal 2017**"). This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2018 and the MD&A for all relevant periods, copies of which are filed under the Company's profile on the SEDAR website, www.sedar.com.

Independence was incorporated under the *Business Corporations Act* (British Columbia) on November 1, 2011 and commenced trading on the TSX Venture Exchange (the "**Exchange**") on December 29, 2011 under the symbol "IGO". The Company's head office and principal address is 1020 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The Company is considered to be in the exploration stage with respect to its mineral properties. An inferred mineral resource has been defined on the 3Ts property in British Columbia. No mineral resources have been identified on the Company's other mineral properties.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and Interpretations issued by the International Financial Reporting Interpretations Committee ("**IFRIC**").

The information contained in this document is provided as of April 23, 2019 (the "**Report Date**").

OVERVIEW

Independence is principally engaged in the evaluation, acquisition and exploration of precious metal properties that are located in North America. The Company's projects range from early-stage grassroots exploration through advanced-stage resource delineation and expansion. The Company's business model is to build shareholder value through systematic project advancement while concurrently maintaining an opportunistic approach to the acquisition of additional precious metals properties. Independence actively manages its property portfolio, farming out or relinquishing properties when exploration results suggest that further expenditures by the Company are unwarranted.

Independence has no producing operations and as a consequence, the Company does not generate any operating income or a positive cash flow. Exploration of its properties is therefore entirely dependent on the Company's ability to access public equity markets to raise sufficient capital and/or its ability to attract joint venture partners to finance further work on its properties. However, with working capital of approximately $2.1 million at December 31, 2018, Independence is adequately financed to support its anticipated exploration programs in the near term.

Mineral Projects

Independence currently holds interests in three exploration projects in central British Columbia and two projects in the Yukon Territory. Ms. Kendra Johnston, P. Geo, President, is the Company's Qualified Person, as defined by National Instrument ("**NI**") 43-101, for the Company's mineral projects and has reviewed the technical information in this MD&A.

3Ts Project, British Columbia

The 3Ts Project is located approximately 120 kilometres ("**km**") southwest of Vanderhoof and consists of six contiguous claim groups: the Tsacha, Tam, Taken, Tommy Lakes, Bot and Blackwater South properties. Collectively, the six properties are made up of fifteen mineral claims covering approximately 5,200 hectares in the Nechako Plateau region of central British Columbia. Independence owns a 100% interest in all six properties, four of which are subject to various net smelter return ("**NSR**") royalties that are payable to the vendors of the properties.

The 3Ts Project covers an epithermal quartz-carbonate vein system within which more than a dozen individual mineralized veins, ranging up to 900 metres ("**m**") in strike length and up to 20 m in true width, have been identified.

Mineral Resource Estimate

In 2014, the Company updated the mineral resource estimate for the 3Ts Project to incorporate results from the 2012 and 2013 diamond drilling programs on the Ted and Mint veins. The Inferred Resource estimate increased by 12% for the contained ounces of gold and 27% for the contained ounces of silver at a cut-off grade of 1.0 gram per tonne ("**g/t**") gold. This inferred resource is estimated to contain a total of 441,000 ounces of gold and 12,540,000 ounces of silver.

Gold		**Gold**		**Silver**	
Cut-off Grade (g/t)	**Tonnes**	**Grade (g/t)**	**Ounces**	**Grade (g/t)**	**Ounces**
Tommy Vein					
0.5	1,615,000	3.99	207,000	39.70	2,059,000
1.0	**1,490,000**	**4.25**	**204,000**	**41.90**	**2,009,000**
1.5	1,371,000	4.52	199,000	44.30	1,953,000
2.0	1,182,000	4.96	189,000	48.00	1,824,000
Ted Vein					
0.5	2,984,000	1.62	156,000	93.5	8,974,000
1.0	**2,942,000**	**1.64**	**155,000**	**94.7**	**8,955,000**
1.5	2,763,000	1.72	153,000	99.5	8,837,000
2.0	2,484,000	1.83	146,000	107.45	8,575,000
Mint Vein					
0.5	1,036,000	2.47	82,000	47.5	1,581,000
1.0	**1,020,000**	**2.51**	**82,000**	**48.0**	**1,576,000**
1.5	957,000	2.63	81,000	50.4	1,552,000
2.0	829,000	2.94	78,000	53.0	1,411,000
Total Inferred Resources					
0.5	5,635,000	2.46	445,000	69.6	12,614,000
1.0	**5,452,000**	**2.52**	**441,000**	**71.5**	**12,540,000**
1.5	5,091,000	2.61	433,000	75.4	12,342,000
2.0	4,495,000	2.86	413,000	81.7	11,810,000

The Inferred Resource Estimate for the 3Ts Project was prepared by Allan Armitage, Ph. D., P. Geo of GeoVector Management Inc. in accordance with NI 43-101. NI 43-101 of the Canadian Securities Administrators – Standards for Disclosure for Mineral Projects – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to the Company's continuous disclosure documents available at www.sedar.com for this detailed information, which is subject to the qualifications and notes therein.

In the fourth quarter of 2016, the Company carried out a mobile metal ion ("**MMI**") soil sampling program on the property. The work was centered on the known veins and underexplored areas, intending to determine if this soil sampling method could recognize the locations of the Tommy, Ted and Mint veins, as well as discover new target areas. The method proved to be effective with gold, silver, zinc, lead and cadmium all returning elevated results down-ice from the Ted Vein, as well as outlining anomalous areas that require more follow-up. In the second quarter of 2017, the Company carried out a second round of MMI soil sampling in conjunction with a mapping and prospecting program. This program successfully identified five new target areas for follow-up drilling which could identify new mineralized veins below till cover.

Also, in the fourth quarter of 2016, a desktop study of the three veins comprising the 3Ts resource was completed to better understand the controlling features on mineralization. Within all three veins, a central core occurs where the veins range up to 25 m in true thickness and exhibit a sub-vertical, northerly-directed plunge, as defined by the highest grades within the veins. Within all three veins mineralization is open at depth, as well as along strike to the north. The exploration potential is highlighted by drill hole TS05-108 which tested the northern region of the Tommy Vein and returned 12.6 g/t gold and 66.8 g/t silver over 7.6 m in a subparallel vein located 80 m east of the Tommy Vein. This intercept occurs at a depth of 200 m below surface and is open for expansion in all directions.

In the first quarter of 2019, an additional desktop review of all historical geological information commenced. This review is on-going and will culminate with the planning and targeting of the next phase of exploration.

Merit Property, British Columbia

During the first quarter of 2019, the Company acquired an option to earn 60% of the Merit property from Almadex Minerals Ltd. The Merit property consists of 4 mineral claims covering approximately 1,907 hectares and is located in the Spences Bridge Gold Belt, 20 km northwest of Westhaven's Shovelnose Project. The property hosts 3 anomalous zones identified by gold-arsenic soil geochemistry with coincident geophysical targets. A historical trench across one of these zones returned 7.24 g/t gold over 1.8 m including 14.99 g/t gold over 0.6 m.

The Company can earn a 60% interest in the Merit property by making a cash payment of $10,000 (completed), the issuance of an aggregate of 650,000 common shares (100,000 issued) and work commitments of $725,000 including a commitment to drill 1,000 m over a three year period. Upon completion of the 60% earn-in, Almadex and the Company will immediately form a joint venture for the purpose of carrying out further exploration work on the Merit property. If either party's participation interest falls below 15%, their interest will be converted into a 2% net smelter royalty.

Nicoamen Property, British Columbia

During the first quarter of 2019, the Company acquired an option to earn 60% of the Nicoamen property from Almadex Minerals Ltd. The Nicoamen property consists of 9 mineral claims covering approximately 3,332 hectares and is located in the Spences Bridge Gold Belt, 40 km northwest of Westhaven's Shovelnose Project. The property hosts 4 anomalous zones identified by gold-arsenic soil geochemistry with coincident geophysical targets. Historical trench samples returned assays of 0.5 g/t gold over 4.9 m and 3.19 g/t gold over 0.2 m and a composite sample of quartz vein float material collected 600 m northwest of the Discovery Zone returned 64.87 g/t gold.

The Company can earn a 60% interest in the Nicoamen property by making a cash payment of $10,000 (completed), the issuance of an aggregate of 650,000 common shares (100,000 issued) and work commitments of $725,000 including a commitment to drill 1,000 m over a three year period. Upon completion of the 60% earn-in, Almadex and the Company will immediately form a joint venture for the purpose of carrying out further exploration work on the Nicoamen property. If either party's participation interest falls below 15%, their interest will be converted into a 2% net smelter royalty.

Boulevard Project, Yukon Territory

During the second quarter of 2017, the Company expanded the Boulevard Project, it now consists of four contiguous properties (Boulevard, YCS, Solitude and Tiger) totaling 958 quartz mining claims covering approximately 19,960 hectares. The Project is located in the Whitehorse Mining District, 135 km south of Dawson City, Yukon, 35 km south of White Gold Corp's Golden Saddle deposit and contiguous to the Coffee Project owned by Goldcorp Inc.

Exploration work by the Company on the Boulevard Project has identified three significant gold-in-soil anomalies (Zones): Sunset/Sunrise Zone (including the Hollywood trend); the Denali Zone (including the Kahiltna trend), and the Runway Zone.

The Sunset and Sunrise trends together comprise a continuous northwest trending multi-element soil anomaly that extends over 2,400 m in length. The eastern margin of the Sunrise Zone also defines a northeasterly trend that extends for 1,400 m. The western portion of the anomaly was tested in 2008 and 2010 with 4,960 m of diamond drilling and in 2015 and 2016 with 4,241 m of reverse circulation ("RC") drilling. In 2015, the Company intersected 7.23 g/t gold across 12.2 m in hole BV15-31 and in BV15-40, intersected 15.00 g/t gold across 3.05 m, including 27.90 g/t gold across 1.53 m in weakly oxidized and sericite-altered quartzite.

In 2016, further RC drilling within the Sunset/Sunrise Zone returned 7.73 g/t gold across 6.1 m in BV16-54, positioned within a broad zone that returned 1.58 g/t gold over 39.6 m. BV16-53 intersected 8.27 g/t gold over 3.1 m starting at 18.3 m down hole. Based on the available drill data, the two primary controls on mineralization are the presence of massive quartz veins, comprising up to 80% of the rock and a resistive quartzite host rock. Pyrite +/- arsenopyrite and stibnite are irregularly developed within mineralized zones and oxidation levels are variable.

Additionally, in the 2016 field season, a total of 1,545 m of RC drilling was completed in 15 holes at the Denali Zone, situated 14.5 km to the west of the Coffee deposit, along an interpreted continuation of the Coffee Creek fault system. The primary focus for this drilling program was to test along strike and down dip of drill hole YCS15-03 which returned 4.25 g/t gold over 6.1 m. Results from the 2016 drilling indicate that the mineralized zone appears to dip moderately to the north-northeast, as indicated in YCS16-08 which returned 4.28 g/t gold across 4.6 m. Mineralization at Denali is variably hosted in quartzite and quartz biotite schist and is typically associated with an increase in fine grained pyrite and arsenopyrite.

During the 2017 field season, a total of 977.5 m of diamond drilling was completed in nine holes within the Sunrise/Sunset Zone. Drilling focused primarily on the intersection of the Sunrise and Sunset trends. The best results from this program are BV17-58 which intersected 3.10 g/t gold over 1.5 m including 76.2 g/t gold in the coarse fraction of the sample; BV17-60 which intersected 2.97 g/t gold over 4.5 m including 14.03 g/t gold found in the coarse fraction of the sample and BV17-65 which intersected 2.58 g/t gold over 4.5 m including 5.02 g/t gold over 1.40 m. The 1.4 m long intersection in BV17-65 also exhibited a nugget effect resulting in 42.7 g/t gold in the coarse fraction of that sample. The "nugget effect" in the gold mineralization was identified during the 2017 field program and requires further investigation.

In addition, the 2017 program included the collection of 2,400 soil samples and the discovery of multiple new soil anomalies as well as the extension of some previously identified soil anomalies. The Boulevard Project now contains 25 distinct anomalous trends.

Moosehorn Property, Yukon Territory

The Moosehorn property is owned 100% by the Company. The property consists of 82 quartz mining claims covering an area of approximately 1,720 hectares. Moosehorn is located in the Whitehorse Mining District, approximately 130 km southwest of Dawson City, Yukon.

During the 2016 and 2017 summer field seasons, the Company completed additional soil geochemical sampling grids and extended the gold-arsenic soil anomaly from 1,200 m to 1,550 m. The anomaly remains open to the north.

In addition, the Company excavated a total of 527 m in three trenches on Moosehorn in 2016, confirming gold mineralization in sub-crop in each trench. Trench 1 intersected 2.0 m of 5,140 parts per billion ("**ppb**") gold. Trench 2 intersected 6.0 m of 730 ppb gold and 6.0 m of 524 ppb gold. Detailed quartz vein sampling within the anomalous zones of trench 2 returned values ranging from 100 to 1,600 ppb gold. All gold values occur within a broader arsenic halo with values ranging from below detection to 3,990 ppm. During the 2017 field program, the company completed 22 geoprobe drill holes approximately 5 m apart along a line orientated obliquely to the soil anomaly. The majority of the geoprobe holes were highly anomalous in arsenic, and minimally anomalous in gold. The Moosehorn property is underlain by a granodiorite intrusion and is situated approximately 2 km south of an active placer gold operation.

No work was completed on the Moosehorn property in 2018, and on December 31, 2018 the property was written-off with associated costs of $88,416.

Henderson Property, Yukon Territory

The 742 quartz mining claims of the Henderson property covers an area of approximately 15,500 hectares. The Company completed a Rotary Air Blast ("**RAB**") drill program during the 2017 field season. Drilling was inadequate to test the fault structures underlying the North Henderson Creek area and target depths were not reached. Shallow bedrock samples in the area were collected, but did not return any anomalous gold values.

On September 17, 2018, the Company entered into a property purchase agreement whereby the property was purchased by White Gold Corp in exchange for $25,000 cash and 100,000 common shares of White Gold Corp. valued at $173,000 and the Company wrote-down acquisition costs of $1,073,780 associated with this property.

Stinger Property, Yukon Territory

During the second quarter of 2017, the Company staked the 4,384 hectares Stinger property. The property is located 66 km to the west of Dawson City, Yukon, within the Sixtymile Area of the White Gold District. The Company completed a ridge and spur soil sampling and prospecting program on the property during the 2017 field season.

On August 27, 2018, the Company entered into a property purchase agreement with ATAC Resources Ltd and the property was sold in exchange for 60,000 common shares of ATAC Resources Ltd., valued at $30,600 and the Company wrote-down acquisition costs of $13,836 associated with this property.

Flow Property, Yukon Territory

On September 17, 2018, the Company entered into a property purchase agreement whereby the property was purchased by White Gold Corp in exchange for $10,000 cash and 50,000 common shares of White Gold Corp valued at $86,500.

Birdman Property, Yukon Territory

On September 17, 2018, the Company entered into a property purchase agreement whereby the property was purchased by White Gold Corp in exchange for 10,000 common shares of White Gold Corp valued at $17,300.

For additional information please visit the Company's website www.ingold.ca.

RESULTS OF OPERATIONS

For the twelve months ended December 31, 2018 and 2017

The net loss for the twelve months ended December 31, 2018 was $2,235,289 compared to $2,630,163 for the prior year's comparative period.

Expenses for twelve months ended December 31, 2018 amounted to $920,796 (2017 - $2,776,399). The decrease in expenses was primarily attributed to a decrease in exploration expenditures in 2018 compared to 2017, along with a decrease in the share-based compensation in 2018 compared to 2017 as the Company did not grant options in 2018.

During the fiscal year ended 2018, the Company sold its interest in the Flow and Birdman properties to White Gold Corp. in exchange for $10,000 cash and 60,000 common shares resulting in a gain on sale of $113,800.

Write-off of minerals properties amounted to $1,176,032 (2017 - $nil) as a result of the write-off and sale of certain mineral properties.

During the fiscal year ended 2018, the Company entered in a debt settlement agreement with Canterra Minerals Corporation ("Canterra"), a company with common directors and/or officers, whereby Canterra issued 3,468,933 common shares valued at $86,723 to the Company for $173,447 of debt and also forgave $96,836 of debt owed by Canterra. This resulted in a write-off of accounts receivable of $183,559.

The operating losses are a reflection of the Company's status as a non-revenue producing mineral exploration company. As the Company has no main source of income, losses are expected to continue for the foreseeable future.

For the three months ended December 31, 2018 and 2017

The net loss for the three months ended December 31, 2018 was $419,118 compared to $377,323 for the prior year's comparative period.

Expenses for three months ended December 31, 2018 amounted to $261,651 (2017 - $416,101). Exploration expenditures were lower in 2018 compared to 2017. In 2017, the Company's Yukon exploration program was more extensive than 2018, and incurred greater geology, geophysical, land use and tenure expenditures.

During the fourth quarter, the Company entered a debt settlement agreement with Canterra which resulted in a write-off of accounts receivable of $183,559.

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

	Year:	**2018**	**2018**	**2018**	**2018**	**2017**	**2017**	**2017**	**2017**
	Quarter Ended:	**31-Dec**	**30-Sep**	**30-Jun**	**31-Mar**	**31-Dec**	**30-Sep**	**30-Jun**	**31-Mar**
Net sales or total revenue		$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net income (loss):									
(i)	in total (000s)	($418)	($1,381)	($275)	($160)	($377)	($1,267)	($390)	($596)
(ii)	per share(1)	($0.01)	($0.02)	($0.01)	($0.00)	($0.01)	($0.02)	($0.01)	($0.01)

(1) Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

While the information set out in the foregoing table is mandated by *National Instrument 51-102,* it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluations expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter.

Selected Annual Information

Year		**2018**	**2017**	**2016**
Net sales or total revenue		$Nil	$Nil	$Nil
Net income (loss):				
(i)	in total (000s)	($2,235)	($2,630)	($2,607)
(ii)	per share (1)	($0.04)	($0.05)	($0.05)
Total Assets (000's)		$12,962	$15,318	$17,407

(1) Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

Financing Activities

The Company did not issue any shares during the twelve months ended December 31, 2018.

During the twelve months ended December 31, 2018, the Company received gross proceeds of $nil (2017 - $120,000) from the issuance of shares.

Investing Activities

During the twelve months ended December 31, 2018, the Company withdrew $1,197,166 (2017 – $1,904,955) in short term investments.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

The Company has two wholly-owned subsidiaries: Golden Pavilion Resources Ltd. (incorporated in British Columbia); and Silver Quest Resources (US) Ltd. (incorporated in Nevada). There was no activity in either company during the twelve months ended December 31, 2018.

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 consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties and key management personnel during the year ended December 31, 2018.

Paid or accrued the following to Rand Explorations Ltd., a company controlled by Randy Turner, the Chief Executive Officer of the Company:

	2018	**2017**
Management fees	$ 86,700	$ 159,163
Geological consulting fees	15,300	27,229
Share based compensation	-	76,250

Paid or accrued the following to Falkirk Resources Consultants, a company controlled by Michael McPhie, who acted as the interim Chief Executive Officer of the Company from July 3, 2017 to December 1, 2017:

	2018	2017
Management fees	$ -	$ 24,000
Director fees	9,000	9,000
Share based compensation	-	47,798

Paid or accrued the following to Kendra Johnston, who started her tenure on July 3, 2017 as the interim President and from December 1, 2017 as the President of the Company:

	2018	2017
Management fees	$ 67,500	$ -
Director fees	6,000	-
Property Investigation	35,510	
Geological consulting fees	31,990	54,000
Share based compensation	-	9,673
Salaries		81,000

Paid or accrued the following to Harry Chan, who started his tenure on December 1, 2017, as the Chief Financial Officer of the Company:

	2018	2017
Management fees	$ 72,000	$ 6,000

Paid or accrued the following to Susan Neale, the former Chief Financial Officer of the Company, whose tenure ended on November 30, 2017:

	2018	2017
Management fees	$ -	$ 28,600
Share based compensation	-	22,875

Paid or accrued the following to non-executive directors of the Company:

	2018	2017
Director fees	$ 30,000	$ 22,000
Share based compensation	-	160,125

Included in receivables at December 31, 2018 is $9,683 (December 31, 2017 - $258,576) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at December 31, 2018 is $9,750 (December 31, 2017 - $125,605) due to directors and companies with directors and/or officers in common.

The Company provides geological, office and administrative services to public companies with common directors. During the twelve months ended December 31, 2018 the Company received or accrued $28,275 (December 31, 2017 – $52,850) for rent and $24,712 (December 31, 2017 - $98,729) for accounting, investor relations and consulting services.

LIQUIDITY AND CAPITAL RESOURCES

Independence has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Independence will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for precious metal exploration generally, a company's track record and the experience and caliber of a company's management.

There is no assurance that Independence will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

Cash and Financial Condition

The Company's working capital was approximately $2.1 million at December 31, 2018, which is sufficient to cover anticipated operating costs and expenditures on the exploration programs on its properties for the near term. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing to fund exploration projects that are generating positive results.

Independence has no other debt, does not have any unused lines of credit or other arrangement in place to borrow funds, and has no off-sheet balance arrangement. The Company has no current plans to use additional debt financing and does not use hedges or other financial derivatives.

Financial Instruments

The Company's financial instruments currently consist of cash and cash equivalents, short-term investments, marketable securities, receivables, prepaid expenses, exploration advances and land-use deposits, and accounts payable and accrued liabilities. The fair value of cash and cash equivalents, marketable securities and short-term investments are measured based on Level 1 of the fair value hierarchy. The fair value of receivables, prepaid expenses, exploration advances and land-use deposits and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NEW IFRS STANDARDS NOT YET ADOPTED

IFRS 16, published on January 13, 2016, supersedes IAS 17 – Leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless a lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 applies to reporting periods beginning on or after January 1, 2019.

The Company plans to apply IFRS 16 effective January 1, 2019 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease obligations related to its lease commitments for its office lease. It will be measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at January 1, 2019. The associated right of use asset will be measured at the lease obligation amount, less prepaid lease payments, resulting in no adjustment to the opening balance of retained earnings. The Company intends to apply the following practical expedients permitted under the new standard:

- Leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients

As at January 1, 2019 the Company expects to recognize approximately $1 million in right-of-use assets and $1 million of incremental lease obligations.

RISK FACTORS

As a company active in the mineral resource exploration and development industry, the Company is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented comprehensive safety and environmental measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of the Company's properties are still in the exploration stage. Mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines.

Unusual or unexpected formations, fires, power outages, labour disruptions, flooding, explosions, , landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration activities. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to mine mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company. In the event that commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Competition

The mining industry is intensely competitive in all of its phases and the Company competes with other companies with greater technical and financing resources than itself with respect to acquiring properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its principal source of operating working capital and the Company's ability to attract investment is largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets and its ability to compete for investor support of its projects.

Environmental and Government Regulation

Exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and/or archaeological sites and endangered or protected species of plants and animals. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Title to Properties

While the Company has investigated title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. The Company does not carry title insurance on its properties. A successful claim that the Company does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Aboriginal and Community Groups

Negotiations with aboriginal groups and local communities can add an additional layer of risk and uncertainty to efforts to explore and develop mineral deposits in many areas of Canada. The nature and extent of aboriginal rights and title remains the subject of debate and litigation in Canada, including with respect to intergovernmental relations between aboriginal governments and federal, provincial and territorial governments. There can be no guarantee that such claims will not cause permitting delays, or additional costs for the Company's interest in Canada.

Government actions

The Company's exploration activities require permits from various governmental agencies charged with administering laws and regulations governing exploration, labour standards, occupational health and safety, control of toxic substances, waste disposal, land use, environmental protection and other matters. Failure to comply with laws, regulations and permit conditions could result in fines and/or stop work orders, costs for conducting remedial actions and other expenses. In addition, legislated changes to existing laws and regulations could result in significant additional costs to comply with the revised terms and could also result in delays in executing planned programs pending compliance with those terms.

There is no assurance that the government of any jurisdiction in which the Company holds properties will not change environmental regulations or taxation policies in a manner that would adversely affect the economic viability of those properties.

OUTSTANDING SECURITIES DATA

On the Report Date, the Company had the following securities outstanding:

Common Shares	56,290,392
Options	4,655,000
Fully Diluted	60,945,392

OUTLOOK

The Company continues to evaluate and discuss with other parties' potential gold and silver projects for possible acquisition, potential transactions and corporate opportunities to add to its current portfolio of properties. In addition, the company is reviewing the results from past projects to determine how best to advance and explore its properties. The Company has identified an inferred resource on the 3Ts Project on the Nechako Plateau in British Columbia, this will be the focus for the company in 2019.

FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.