

FORM 51-102F1
Management Discussion and Analysis

ExGen Resources Inc.
For the period ended September 30, 2018

Date: November 26, 2018

The following Management's Discussion and Analysis ("MD&A") is provided by the management of ExGen Resources Inc. ("ExGen" or the "Company") for the period ended September 30, 2018 and is based on information available to November 26, 2018. This discussion and analysis focuses on the operating and financial results and should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended September 30, 2018 and the audited consolidated financial statements including notes for the year ended December 31, 2017 and 2016, (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company is available on SEDAR at www.sedar.com.

Overall Performance

ExGen is a Canadian junior resource company listed on the TSX Venture Exchange focused on building a diverse portfolio of joint venture and royalty interests across various exploration stages and commodity groups. ExGen currently has three projects in each of Canada and the United States. The Company's business model encompasses those aspects of the mineral industry that range from exploration to the acquisition of minority interests and/or royalty streams on mineral projects. The Company plans to acquire and advance these projects through exploration with the objective to optioning these exploration projects to third parties, while keeping a retained and/or participating interest. This business model significantly reduces the technical and financial risk for the Company by attracting partner companies to fund the exploration and development of our projects. Through this joint venture business model, the Company is able to expose its shareholders to both discovery and potential future cash flow from production while minimizing share dilution. ExGen will continue to opportunistically seek out royalty and minority interests in other mineral projects in safe mining jurisdictions. ExGen is also actively evaluating additional merger and acquisition opportunities within the junior exploration and mining sector.

The option agreement on the DOK copper-molybdenum-gold-silver project in northern British Columbia in 2014 represented the first transaction towards implementing the new corporate strategy.

The option agreement on the Empire Mine copper-gold-silver-zinc project in Custer County, Idaho entered on July 15, 2015 and amended November 9, 2016 was the Company's second transaction executing the new corporate strategy.

On February 9, 2018, the Company entered into an option agreement with Phoenix to earn an 80% interest in the Gordon Lake gold property.

ExGen has determined that this strategy is the most effective way to realize shareholder value from our significant portfolio of copper projects across Canada and the USA.

Qualified Person

Jack McClintock, P. Geo., the Company's nominated Qualified Person pursuant to National Instrument 43-101, Standards for Disclosure for Mineral Projects, has reviewed and verified the technical information disclosed in this MD&A. All technical information provided in the MD&A has been previously disclosed by way of news releases made by ExGen.

Exploration Activities and Results

Empire Mine Project

The Empire Project is located in southeast – central Idaho, in Alder Creek Mining District approximately 3.3 miles southwest of the town of Mackay and 97 miles west of Idaho Falls. ExGen owns 20% and Phoenix owns 80% of Konnex Resources, Inc. ("Konnex"), which holds the leases and claims to the Empire Mine Project. ExGen further has a 2.5% NSR royalty on the Empire Mine Project and is one of Phoenix's largest shareholders, owning 1,330,000 common shares (4.18%).

A past producer, the reported historical production of the Empire Mine is 694,000 tonnes with recovered grades of 3.64% copper, 1.65 g/t gold and 53.9 g/t silver from underground workings during the period 1901 to 1942. US Bureau of Mines records show that the head grades were between 6% and 8% copper. The Empire Mine produced an additional 115,500 tonnes from 1943 intermittently to 1973, with recovery grades of 2.27% copper, 1.11 g/t gold and 23.76 g/t silver. The property is classified as a polymetallic copper skarn. The mineralization is represented by a near-vertical zone of copper-gold-silver sulphide mineralization located within and below a larger zone of lower-grade copper-oxide

mineralization. Previous work on the property has encountered oxide and sulphide copper mineralization over a strike length of 1,200m, a width of 6 to 70m and to a depth of more than 300m.

On August 10, 2018, ExGen announced a maiden NI 43-101 Mineral Resource estimate for the Empire Mine deposit prepared by Zachary J. Black, SME-RM of Hard Rock Consulting, LLC, (“HRC”) a Qualified Person under NI 43-101. The mineral resource estimate relies on data from 26,666 metres of drilling in 285 holes. A full technical report co-authored by Jeff Choquette, P.E., J. J. Brown, P.G., SME-RM, and Zachary J. Black, SME-RM is on SEDAR.

Mineral Resource Statement for the Copper Oxide Empire Mine, Custer County, Idaho, U.S.A., Hard Rock Consulting, LLC, November 7, 2017

Classification	Tons (x1000)	Copper		Zinc		Gold		Silver	
		%	lb (x1000)	%	lb (x1000)	oz/t	oz (x1000)	oz/t	oz (x1000)
Measured	3,633.80	0.53	38,736	0.11	7,994	0.006	21	0.257	935
Indicated	7,851.70	0.51	79,773	0.15	23,555	0.007	58	0.334	2,625
Measured + Indicated	11,485.50	0.52	118,510	0.14	31,470	0.007	79	0.310	3,560
Inferred	9,880.10	0.41	80,622	0.13	25,688	0.009	86	0.289	2,859

*Notes:

⁽¹⁾ Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are that part of the mineral resource for which quantity and grade or quality are estimated on the basis of limited geologic evidence and sampling, which is sufficient to imply but not verify grade or quality continuity. Inferred mineral resources may not be converted to mineral reserves. It is reasonably expected, though not guaranteed, that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.

⁽²⁾ The Mineral Resources captured within optimized pit shell meet the test of reasonable prospect for economic extraction and can be declared a Mineral Resource. Open Pit Resources are reported at a 0.184% total copper cutoff based on a \$3.25/lb Cu price. No value was given to the gold, silver and zinc in determining the reasonable prospect for economic extraction of the resource.

Parameters in Resource Estimate

The mineral resource estimate relies on data from 26,666 metres of drilling in 285 drillholes. Nine discrete lithologic units were modeled in 3D based on available geologic data and information including public documents, historic and modern project reports, and geological logging and interpretation by Konnex geology staff. The geologic model was grouped into 6 estimation domains based on geostatistical and lithologic interpretations. Raw assays were composited down hole into 6 metre intervals and coded by estimation domain. Log scale cumulative frequency plots of the composited assay data for each element and by estimation domain were used to identify and cap the grade of statistical outliers. A block model with 6 m x 6 m x 6 m blocks was created and each block classified based on the estimation domains. Cu, Ag, Au and Zn grades were interpolated into blocks by ordinary kriging. The estimate was completed in 3 passes with the maximum search volume set to 137.2 m, using an anisotropic ratio of 2:1:1. The search ellipse was oriented using dynamic anisotropy based on the structural trends modeled in 3D. The first pass had a maximum search distance of 45.7 m, with a minimum of 4 and a maximum of 9 composites, with no more than 2 composites from a single drillhole, used to interpolate grade. Blocks within 13.7 m x 6.9 m x 6.9 m of the first pass are classified as measured. The remaining blocks of the first pass are classified as indicated. The second estimation pass had a maximum search distance of 91.4 m, with a minimum of 3 and a maximum of 16 composites, with no more than 2 composites from a

single drillhole, used to interpolate grade. The third estimation pass had a maximum search distance of 137.2 m, with a minimum of 1 and a maximum of 16 composites, with no more than 2 composites from a single drillhole, used to interpolate grade. Blocks estimated in the second and third pass are classified as inferred. Densities were assigned to blocks based on lithology and oxidation state based on a total of 99 density measurements as well as published density data for unoxidized material. Final grade-tonnage estimates were confined to an optimized pit shell using a total copper cutoff 0.184% and a copper price of \$3.25/lb

The mineral resources are classified according to Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards for Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on May 10, 2014. The mineral resource estimate is based on all available technical data and information as of November 7, 2017.

CIM (Canadian Institute of Mining, Metallurgy and Petroleum) definitions were followed for mineral resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves.

The maiden NI 43-101 Mineral Resource estimate for the Empire Mine deposit was prepared under the direction of Zachary J. Black, SME-RM of HRC, a Qualified Person under NI 43-101, who has reviewed and consented to the information in the news release that relates to the reported resources.

Additional technical information on the Empire Mine is available in ExGen’s news releases on SEDAR.

DOK Project:

The historical and current exploration results of the DOK Property demonstrate that the DOK property exhibits many similarities with other large alkalic porphyry copper-gold deposits in northern British Columbia. The property is located approximately 40 kilometers north of the Galore Creek and the Shaft Creek porphyry copper deposits and south of the active exploration currently underway north of the Stikine River.

The 2014 drilling program consisted of two drill holes totaling 834.9m. These holes tested a 400m length of a geophysical anomaly measuring approximately 1.2 kilometers long by 800m wide that is open in both directions. The drill holes intersected visible copper mineralization in both holes hosted in potassic and phyllic altered zones of andesite, quartz monzonite rocks and hydrothermal breccia. Hydrothermal biotite and gypsum veining as well as disseminated and fracture controlled pyrite and magnetite occur in variable concentration throughout the core. Significant molybdenite mineralization was intersected in the lower portion of DDH DOK-01-2014 in a hydrothermal breccia.

The significant pyrite and magnetite concentrations in the drill holes combined with the analytical results, alteration, mineralogy and lithology suggest that the drilling may have intersected the outer edge of a porphyry copper-gold system. The weighted average grade of the mineralized intervals in the two diamond drill holes are as follows:

DDH ID	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)	Silver (g/t)	Molybdenum (%)
DOK-01-2014	6.1	410.0	403.9	0.04	0.03	0.40	0.001
including	129.5	312.4	182.9	0.07	0.04	0.60	trace
including	275.8	294.1	18.3	0.33	0.13	1.90	0.001
including	385.6	410.0	24.4	0.03	0.05	0.98	0.012
DOK-02-2014	33.5	384.1	350.6	0.05	0.04	0.50	trace
including	33.5	88.4	54.9	0.11	0.06	1.64	trace
including	125.0	185.9	60.9	0.07	0.05	0.46	trace
including	289.6	304.8	15.2	0.03	0.09	0.62	trace

The above core interval do not represent true width of the mineralization.

On April 14, 2014, Continental Precious Minerals Inc. (“Continental”) signed a Sub-Option Agreement with ExGen to earn up to a 75% interest in the DOK property. Under the terms of the Sub-Option Agreement, Continental has the option to earn a 60% interest within four years by incurring total expenditures of \$2,000,000 on or before April 30, 2018 and by making total cash payments of \$200,000.

In July 2016, Continental elected to withdraw from its option, and as a result, the Company regained 100% control of the DOK project from Continental.

On July 19, 2016, the Company entered into an amending agreement with the DOK optionors (the Amendment). Pursuant to the Amendment, the Company will make the following payments to the Optionors:

- (i) \$16,000 on execution of the Amendment; (paid)
- (ii) \$20,000 on or before the first anniversary of the Amendment; (paid)

- (iii) \$40,000 on or before the second anniversary of the Amendment; (paid)
- (iv) \$50,000 on or before the third anniversary of the Amendment; and
- (v) \$90,000 on or before the fourth anniversary of the Amendment.

In addition, ExGen has agreed that if DOK is sub-optioned to another party prior to the completion of the payment of all of the cash payments noted above, then ExGen shall pay to the Optionors an amount equal to all of the cash option fees that ExGen receives from the Sub-Optionor pursuant to the sub-option agreement, until the full amount of all cash payments required above have been paid in full.

Gordon Lake:

During 2014, the Company re-negotiated the terms and conditions of its agreement with Katalyst Data Management (formerly Kelman Technologies Inc.) on the Gordon Lake gold project located approximately 110 kilometers northeast of Yellowknife, NWT. Katalyst executed an Assignment Agreement whereby it assigned its 10% working interest in the Gordon Lake project Mining Lease (ML) #3123 and 100% working interest in ML #3088 and ML#3116, to ExGen. The Assignment Agreement eliminated Katalyst's 10% working interest and a 4% sliding royalty on the Gordon Lake project. ExGen now owns 100% of Gordon Lake with no third party underlying royalties.

On February 9, 2018 the Company has entered into an option agreement (the "Option") with Phoenix to earn an 80% interest in Gordon Lake by making the following payments and exploration commitments:

Cash and Shares

- Cash payment of US \$25,000 on signing the Option (received)
- 2,000,000 common shares of Phoenix within 90 days of signing the Option (received)
- US \$25,000 on the first 2 anniversary dates of the signing of the Option and then US \$50,000 on the anniversary date of the signing of the Option until the completion of a bankable feasibility study.

Project Spend by Phoenix

- Phoenix to spend US \$250,000 on Gordon Lake within 12 months of signing the Option

Project Participation

- ExGen to retain a 20% carried interest until commencement of mine construction
- ExGen to be granted a 2.5% net smelter returns royalty for all metals on Gordon Lake (the "2.5% NSR")
- 30 mile area of interest, which applies to both ExGen's 20% carried interest and the 2.5% NSR

ExGen currently awaits Phoenix's work plans for Gordon Lake during the 2018/2019 exploration season.

East Breccia Property:

The East Breccia project is in the Batchawana Greenstone Belt located approximately 60 kilometres north of Sault Ste Marie, Ontario and hosts several former small high grade (greater than 1 percent copper) mines. The mineralization exhibits coincident positive magnetic and conductivity signatures due to the presence of sulphide mineralization and magnetite. Ten mineralized breccia (copper-silver +/- molybdenum with significant concentrations of rhenium) of varying dimensions have been located along with a number of strong positive magnetic signatures which have not been explored.

Boss Property:

During Q4 2013, ExGen completed an independent National Instrument 43-101 Technical Report on the Boss project. The Technical report has been filed on SEDAR and can be read by accessing www.sedar.com.

The Technical Report identified an 8km by 6km area, the majority of which occurs within the Boss project, that hosts all the copper-gold mineralization, six areas of skarn development, alteration and intrusive activity which supports a porphyry copper-gold exploration model.

Buena Vista Property:

During Q4 2012, ExGen completed a surface mapping and sampling program to evaluate the sources of the Titan-24 chargeability signatures identified on the north and south ends of the property in 2011. These areas of chargeability (anomalies) are interpreted to represent buried copper mineralization. The field work suggests a strong correlation between the chargeability anomalies and copper mineralization exposed in outcrop. The most significant result of the 2012 field program is that in addition to the previously identified iron carbonate alteration, copper mineralization also occurs over large areas (up to 20m by 20m) in outcrop in what is described as hydrothermally altered (sericite-hematite) volcanic rocks. In addition, the copper mineralization is more widespread than indicated by previous work. The areas sampled in 2012 are located outside the zone of strong carbonate alteration and has a strong barium-arsenic geochemical signature. A limited number of samples were collected from the mineralized outcrops to determine copper and other metal concentrations (see table below).

Sample ID	Sample Type	Interval (m)	Copper (%)	Silver (g/t)	Gold (g/t)
BV-01-2013	Chip/Channel	1.0	2.01	22.0	0.03
BV-02-2013	Chip/Channel	1.5	2.40	6.0	0.07
BV-03-2013	Chip/Channel	1.0	0.39	8.0	0.24
BV-04-2013	Area Chip	30cm X 30cm	1.56	30.0	0.03
BV-05-2013	Area Chip	30cm X 30cm	1.43	6.0	trace

Sample BV-04-2012 is taken from a crackle zone within Anomaly A that exhibits a close spaced system of carbonate fractures with visible copper mineralization. The chargeability signature in this anomaly covers an area measuring approximately 1,500m by 800m located at the north end of the project and extends to a minimum depth of 500m.

The chargeability signature in Anomaly B covers an area measuring approximately 1,000m by 600m located at the south part of the project. Samples BV-02-2012, BV-03-2012 and BV-05-2012 are channel samples taken from separate zones of copper oxide mineralization exposed within the chargeability signature from moderate to strong sericite-hematite altered volcanic rocks.

Future Activities

ExGen will continue approaching other mineral exploration/production companies with the objective of achieving option agreements on its other projects. ExGen is also currently evaluating a number of potential acquisition targets, including both projects and other junior resource companies.

Selected Quarterly Financial Information

Quarters Ended:	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
	\$	\$	\$	\$
Net income (loss)	(102,846)	(34,722)	(32,040)	(1,021,296)
Comprehensive income (loss)	(102,846)	(345,479)	107,251	(998,462)
Basic & diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	1,333,753	1,430,849	1,786,594	1,676,149
Quarters Ended:	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
	\$	\$	\$	\$
Net income (loss)	(425,404)	(143,047)	(44,416)	(11,749,115)
Comprehensive income (loss)	(475,663)	108,245	(44,416)	(11,799,115)
Basic & diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.04)
Total Assets	2,636,459	2,814,456	2,578,060	2,616,375

Third Quarter Results

The decrease in comprehensive loss for the three month period ended September 30, 2018 compared to three month period ended September 30, 2017 was primarily due to (i) \$332,000 in share-based payments made in Q3 2017 to directors, officers, a former director and a consultant for past services performed partially offset by increase in (ii) professional fees and (iii) project expenditures.

The change in comprehensive loss for the nine month period ended September 30, 2018 compared to nine month period ended September 30, 2017, was primarily due to (i) \$332,000 in share-based payments made in Q3 2017 to directors, officers, a former director and a consultant for past services performed, (ii) decrease in general and administrative expenditures and professional fees due to reduction in a corporate activities, (iii) decrease in project expenditures and (iv) an unrealized loss on investments in marketable securities of \$171,358 during the nine month period ended September 30, 2018 compared to an unrealized gain on investments in marketable securities of \$154,980 during the nine month period ended September 30, 2017.

Liquidity and Capital Resources

The Company's working capital for the nine month period ended September 30, 2018 was \$130,115 compared to working capital deficit of \$138,719 for the year ended December 31, 2017.

The financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and/or obtain additional financing to pay its liabilities and to meet its commitments. The ability of the Company to generate future profitable operations is primarily dependent upon achieving successful exploration and profitable development of its mineral properties.

Management believes the going concern assumption to be appropriate for the financial statements. If the going concern assumption were not appropriate for the financial statements, adjustments may be necessary to the carrying value of assets and liabilities, reported expenses, and the statement of financial position classifications used.

Acquisition and exploration recoveries during the period ended September 30, 2018 totaled \$158,151 compared to \$230,902 for the period ended September 30, 2017. Administrative expenditures for the period ended September 30, 2018 totaled \$56,530 compared to \$83,313 for the period ended September 30, 2017.

Transactions with Related Parties

Key Management Personnel:

ExGen considers key management personnel to be the officers and directors of the Company.

Total compensation to key management personnel of \$13,500 (2017 - \$345,500) consisted of consulting fees to an officer.

At September 30, 2018, accounts payable and accrued liabilities included \$8,287 which was owing to a director of the Company. (2017 - \$8,287)

Other Related Parties:

During the period ended September 30, 2018, the Company incurred a charge to a spouse of a director \$7,500 in rent (2017 - \$11,250). At September 30, 2018, accounts payable and accrued liabilities included \$52,500 (2017 - \$33,750) relating to such services.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount determined and agreed to by the related parties.

Mineral Properties

A comparison and detail of expenditures related to the Boss Property for 2018, 2017 and 2016 is as follows:

Boss Property			
	January 1, 2018 to September 30, 2018	January 1, 2017 to December 31, 2017	January 1, 2016 to December 31, 2016
State filing fees	\$ -	\$ 519	\$ -
Operating Leases	-	72,000	49,173
Sample storage	-	32,755	-
Reversal of lease payments	-	-	(106,744)
Impairment	-	(105,274)	(7,243,689)
	\$ -	\$ -	\$ (7,301,260)

A comparison and detail of expenditures related to the Buena Vista Property for 2018, 2017 and 2016 is as follows:

Buena Vista Property			
	January 1, 2018 to September 30, 2018	January 1, 2017 to December 31, 2017	January 1, 2016 to December 31, 2016
State filing fees	\$ -	\$ 11,672	\$ 11,780
Impairment	-	(11,672)	(1,615,767)
	\$ -	\$ -	\$ (1,603,987)

A comparison and detail of expenditures related to the DOK Property for 2018, 2017 and 2016 is as follows:

DOK Property			
	January 1, 2018 to September 30, 2018	January 1, 2017 to December 31, 2017	January 1, 2016 to December 31, 2016
Property acquisition	\$ -	\$ 20,000	\$ 16,000
Proceeds from Option Payment	-	-	-
Sample storage	-	2,765	-
Impairment	-	(22,765)	(1,187,768)
	\$ -	\$ -	\$ (1,171,768)

A comparison and detail of expenditures related to the East Breccia Property for 2018, 2017 and 2016 is as follows:

East Breccia Property			
	January 1, 2018 to September 30, 2018	January 1, 2017 to December 31, 2017	January 1, 2016 to December 31, 2016
Property acquisition	\$ -	\$ 22,500	\$ 9,000
Geology, Engineering, Metallurgy	-	-	1,303
Impairment	-	(22,500)	(1,214,755)
	\$ -	\$ -	\$ (1,204,452)

A comparison and detail of expenditures related to the Gordon Lake Property for 2018, 2017 and 2016 is as follows:

Gordon Lake Property			
	January 1, 2018 to September 30, 2018	January 1, 2017 to December 31, 2017	January 1, 2016 to December 31, 2016
Geology, Engineering, Metallurgy	\$ -	\$ -	\$ -
Proceeds from Option Payment	(158,151)	-	-
Lease costs	-	4,303	-
Reversal of Impairment (Impairment)	-	171,228	(564,331)
	\$ (158,151)	\$ 175,531	\$ (564,331)

Off-Statement of financial position Arrangements

The Company does not have any special purpose entities nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

Officers and Directors

<u>Individual</u>	<u>Office Held</u>
Jason Riley	Director, Chairman of the Board and CEO
Jason Tong	CFO
Dennis Thomas	Director
Mark Swartout	Director
Arlen Grove	Director

Share Capital

The Company is authorized to issue an unlimited number of common shares of which 344,730,080 were outstanding at September 30, 2018. The following table shows the detailed number of shares, options and warrants outstanding as of September 30, 2018 and changes (if any) that have occurred up to the date of this MD&A.

	As of 30-Sep-18	Change	As of 26-Nov-18
Common shares issued and outstanding	344,730,080	-	344,730,080
Common shares issuable upon exercise of stock options	-	-	-
Common shares issuable upon exercise of warrants	12,054,500	-	12,054,500
Common shares fully diluted	356,784,580	-	356,784,580

Outlook

As an exploration and development stage company; the future liquidity of the Company will be affected principally by the level of its exploration and development expenditures and by its ability to raise the adequate capital through the capital markets or other means. The Company will be required to raise additional funding in order to meet its long-term business objectives. The Company is aware of the current conditions in the financial markets and has taken significant steps to adapt our business model to reduce capital requirements going forward. The Company will continue to evaluate its funding requirements on a go forward basis in an effort to meet its future development and growth initiatives.

Financial Instruments and Financial Risk Management

The Company's financial instruments include cash, accounts receivable, marketable securities, deposits, accounts payable and accrued liabilities.

Fair value

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily publicly-traded equity investments classified as FVTOCI securities.

Risk Management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to market conditions. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included as applicable. The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to cash balances, trade accounts receivable and deposits. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk. Cash is held with Schedule I Canadian banks, while the deposits are held with a governmental authority. Therefore management believes the risk of loss to be minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking harm to the Company's reputation.

As at September 30, 2018, the Company's financial liabilities were comprised of accounts payable and accrued liabilities of \$189,050, which have either contractual or expected maturities of less than one year. In order for the Company to settle its expected future obligations the Company will be required to raise funds through private placements.

(c) Market risk

Market risk consists of currency risk, commodity price risk, other price risk, and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns:

i) Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between the Canadian and United States dollar. As the Company has transactions that are denominated in United States dollars the Company is exposed to foreign currency exchange risk. At September 30, 2018, the Company held, disclosed in US Dollars, US cash of \$126,372 (2017 - \$14,277), US deposits of \$34,268 (2017 - \$34,268) and US accounts payable of \$2,000 (2017 - \$2,000). Every \$0.01 change in the foreign exchange rate at September 30, 2018 would have impacted net loss by \$1,586 (2017 - \$465).

The Company is also exposed to fluctuations in the exchange rate between the Canadian dollar and British pounds through its investment in Phoenix (see note 5). At September 30, 2018, the Company held £465,500 of Phoenix shares. Every \$0.01 change in the foreign exchange rate at September 30, 2018 would have impacted other comprehensive income by \$12,037.

ii) Commodity price risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer

or by factors affecting all similar financial instruments traded in the market. Marketable securities gives rise to other price risk. A 10% change in the share price, holding other factors consistent, would impact other comprehensive income by \$77,739.

iv) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no variable rate debt, however is exposed to interest rate risk on its cash or deposits. The Company did not hold any cash equivalents at September 30, 2018 and had no interest rate swap or financial contracts in place at September 30, 2018.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the development of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Company consists of equity comprised of issued share capital and deficit.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint interest arrangements or dispose of mineral properties. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less which can be liquidated at any time without penalties.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended September 30, 2018.

Risks and Uncertainties

The securities of the Company must be considered speculative, generally because of the nature of the business and its stage of development. In addition, a prospective investor should carefully consider the following factors:

a) Mineral Exploration and Development

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There are no assurances that even if reserves are established on the properties, a mine will be brought into commercial production.

b) Metal Prices

The Company's future revenues, if any, are expected to be derived in large part from the sale of gold and base metals. The prices of those commodities fluctuates widely and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global and regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining methods, etc. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations cannot be accurately predicted.

c) Additional Financing

The Company does not currently have sufficient financial resources to undertake, by itself, all of its planned exploration and possible development programs. The exploration and development of the properties may therefore depend on the Company's ability to obtain additional required financing. There is no assurance that additional funding will be available to allow the Company to fulfill its obligations on the properties.

d) Government Regulation

Exploration and development of the properties will be affected to varying degrees by: i) government regulations relating to such matters as environmental protection, health, safety, and labour; ii) mining law; iii) restrictions on production; price controls; tax increases; iv) maintenance of claims; v) tenure; and vi) expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations.

Cautionary Statement

This MD&A may contain “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Company’s current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results in technical reports and future costs and expenses being based on historical costs and expenses, adjusted for inflation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Company and its projects; general business, economic, competitive, political and social uncertainties; fluctuations in the market value for gold and other metal commodities; the actual results of current exploration and development or operational activities; competition; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labor or loss of key individuals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.