

Westhaven Ventures Inc.
MANAGEMENT'S DISCUSSION & ANALYSIS
Second Quarter Ending June 30, 2017
Dated as of August 29, 2017

Dated August 29, 2017
Management's Discussion and Analysis

For the quarter ended June 30, 2017

Dated as of August 29, 2017

This MD&A has been prepared by management and reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the condensed consolidated interim financial statements of the Company and notes thereto for the quarter ended June 30, 2017 and with the audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2016. The information provided herein supplements but does not form part of the financial statements. This discussion covers the quarter and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed interim financial statements for the three months ended June 30, 2017 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and using accounting policies consistent with IFRS. Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its affect on the Company's financial presentation.

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 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.

Forward-looking statements

Certain sections of this Management Discussion and Analysis may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of August 29, 2017.

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Description of Business and Overview

Westhaven Ventures Inc. (the "Company") is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia and commenced operations on May 5, 2010. The Company is engaged in the acquisition, exploration and development of resource properties.

The head office and records office of the Company are located at 1056 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

To date the Company has not generated significant revenues and is considered to be in the exploration stage. Continued operations of the Company are dependent on the Company's ability to source capital or generate profitable operations in the future.

The capital structure of the company as of August 29, 2017 is as follows:

Shares Outstanding:

-54,408,779

Options:

-175,000 Exercisable at \$0.20 until December 4, 2017

-365,000 Exercisable at \$0.15 until April 15, 2019

-2,300,000 Exercisable at \$0.05 until December 28, 2020

-1,400,000 Exercisable at \$0.10 until April 13, 2022

Warrants:

-2,326,665 Exercisable at \$0.16 until May 17, 2018

-856,666 Exercisable at \$0.16 until May 27, 2018

-3,860,000 Exercisable at \$0.16 until September 21, 2018

-3,416,667 Exercisable at \$0.16 until September 28, 2018

-2,593,667 Exercisable at \$0.08 until October 27, 2018

-649,000 Exercisable at \$0.08 until November 12, 2018

-5,840,000 Exercisable at \$0.07 until February 29, 2019

Fully Diluted: 78,191,444

Directors and Officers own 46% of the outstanding shares.

Should the 23,782,665 options and warrants be exercised, the Company will receive gross proceeds of \$2,686,563.

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Company Overview

Westhaven is a junior exploration company focused on creating shareholder value through the discovery and/or development of precious and/or base metals deposits. The Company is advancing its Skoonka Creek, Shovelnose and Prospect Valley gold-silver properties, all located in the Spences Bridge Gold Belt (the "SBGB"), in British Columbia, Canada.

The SBGB projects overview:

- Large land package on underexplored gold belt
- District-scale potential
- 100% ownership of claims
- Low-cost exploration
- Close proximity to power and rail
- Road accessible and close to major highways
- Close proximity to producing mines and expertise

The Directors and Officers of Westhaven own ~46% of the shares outstanding and, as such, are heavily aligned with its shareholders. Management's focus continues to be on risk management with a view to minimizing shareholder dilution. By maintaining low overheads and targeting highly prospective mineralization within proximity to infrastructure, we are able to dedicate a larger percentage of money raised towards lower cost exploration activities and accretive acquisitions.

With the acquisition of a 100% interest in the Prospect Valley gold property in 2016, Westhaven became the largest claims holder in the SBGB. In May, 2017 Westhaven continued its expansion in the SBGB with the acquisition of the 2,783 hectare Skoonka Creek gold property.

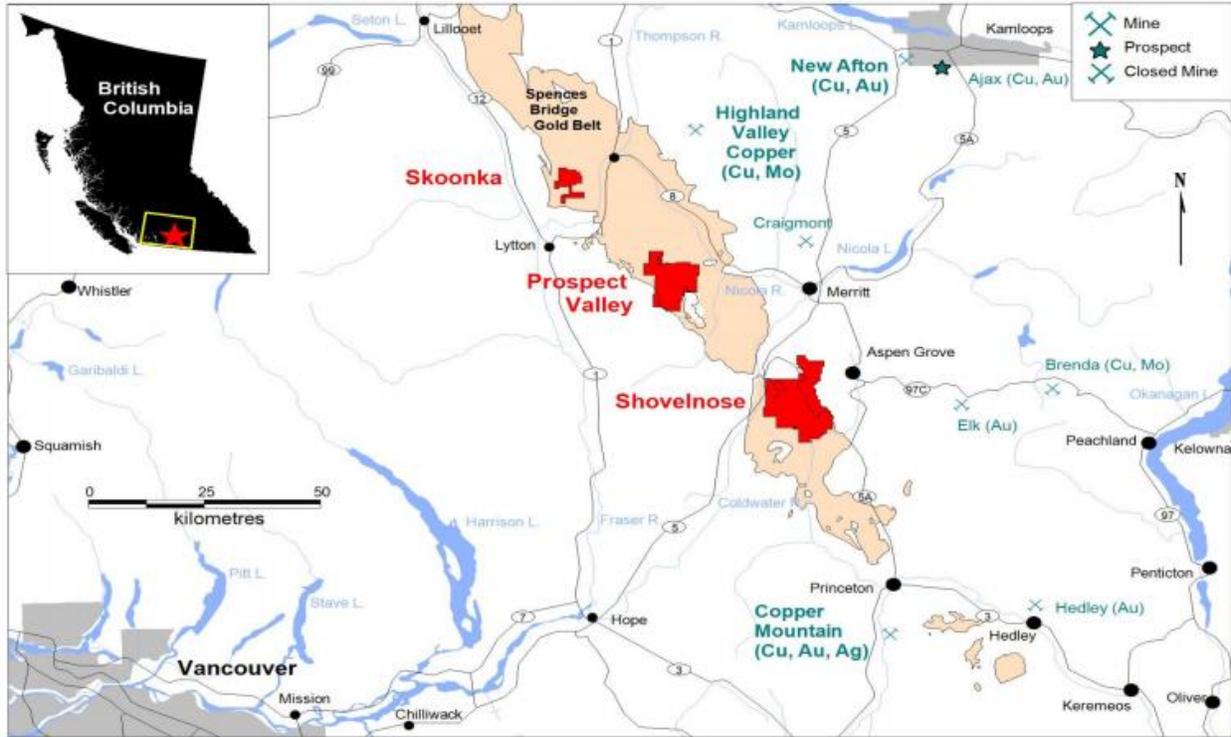
On April 13, Westhaven announced that it had granted a total of 1,400,000 incentive stock options to directors, officers, and consultants. These options have an exercise price of \$0.10 per share and are valid for a 5 year period from the date of grant.

The Company's Stock Option Plan allows for the issuance of up to 10% of issued and outstanding share capital in the form of incentive stock options. As a result of this grant, the Company has 4,240,000 stock options issued, representing 8.1% of the issued and outstanding share capital.

Also in April, Westhaven hired Coal Harbor Communications, Inc. a Vancouver-based investor relations firm, to act as a communications bridge between the Company and the investment community.

Spences Bridge Gold Belt (SBGB)

The SBGB is a 110 km northwest-trending belt of intermediate to felsic volcanic rocks dominated by the Cretaceous Spences Bridge group. Exploration in the belt only began in 2001 when prospector Edward Balon, P. Geo, technical advisor to Westhaven, began by following up on a Regional Geochemical Survey anomalies. These relatively underexplored volcanic rocks are highly prospective for epithermal style gold mineralization. In the mid-19th century, coarse placer gold was discovered near the mouth of the Nicoamen and Fraser rivers. This discovery sparked a gold rush that attracted an estimated 20,000 prospectors to the area. Westhaven has been working on the SBGB since 2011 and has over 33,000 hectares situated within a geological and structural setting similar to other significant epithermal gold-silver systems.



Skoonka Creek Gold Property

On May 24, 2017 Westhaven announced that it had signed a purchase agreement to acquire 100% of the 2,783 hectare Skoonka Creek Gold property located within the SBGB. The Skoonka Creek property is situated near the northern end of the SBGB. The property is a three hour drive by car from Vancouver, approximately 15 km from the Trans Canada Highway and the CPR Railway Line and 12 km northeast of Lytton, BC. Westhaven owns a 100% interest in the property.

Under the terms of the Skoonka gold property purchase agreement with Strongbow (vendor) and Almadex (vendor), Westhaven will issue 2,000,000 shares on signing to Strongbow and Almadex. In addition, Almadex shall retain its original net smelter royalty of 2% from production. D. Grenville Thomas, a Director of Westhaven, is also a Director of Strongbow. Mr. Thomas abstained from the approval of the purchase agreement and did not participate in the negotiation of the business terms of the transaction. No finder's fees were paid with respect to this transaction. The TSX has subsequently approved this transaction.

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Property Highlights include:

- Road accessible and close to power, rail and major highways.
- Over \$4.5 million spent to date on prospecting, mapping, soil sampling, geophysics and diamond drilling.
- Significant areas of epithermal alteration and veining which are prospective for gold & silver mineralization have been outlined.
- 3,000 metre long by 500 metre wide structural corridor encompassing numerous gold and/or pathfinder element (arsenic, antimony, mercury, molybdenum) soil and rock geochemical anomalies.

In 2005, Strongbow drilled **20.2 grams per tonne (g/t) gold over 12.8 metres (m)** at the Skoonka Creek gold property confirming the presence of high grade epithermal gold mineralization in the SBGB.

Mineralogical, textural and geochemical evidence suggests that mineralization encountered to date represents the upper portions of a shallowly eroded low sulphidation epithermal system, with good potential to discover more consistent and higher gold grades at greater depths. Mineralization remains open along strike and to depth.

In July, 2017 Westhaven initiated preliminary fieldwork has been focused on the JJ-West prospect, the possible westward continuation of the high-grade JJ Zone. Additional soil sampling has extended this grid by 500 metres west to test for the continuation of the previously defined area of anomalous soil geochemistry. The newly collected soil samples will be processed for multi-element analysis.

Geological mapping and prospecting carried out over the new soil grid has uncovered two areas of quartz veining. The more significant of the two is roughly on trend with the JJ Zone to the east. Rock samples have been collected for assay from the two areas of quartz veining.

Westhaven has identified multiple drill targets and will look to commence drilling once permits are in place.

Shovelnose Gold Property

The Shovelnose property is located near the southern end of the SBGB, approximately 30 km south of Merritt, British Columbia. The property is accessible by the Coquihalla Highway (BC Provincial Highway #5) at the Coldwater exit, then by a series of logging roads to the northern and southern portions of the property. The Shovelnose claims cover prospective stratigraphy in the southern SBGB. Westhaven has a 100% interest in this property subject to a 2% NSR. In February 2016, Westhaven staked an additional 625 hectares (Ha) on the south/southwest portion of the claim block, bringing the total claim package to 16,273 Ha.

To date Westhaven has completed 40 diamond drill holes (2 were abandoned in overburden) for a cumulative total of 6,371 metres, in four separate target areas. There is evidence of a significant mineralized alteration system within the property where float samples grading **119 g/t Au and 273 g/t Ag**, veins in trenches grading **66 g/t Au**, as well as wide low grade alteration zones typical of epithermal gold deposits have been discovered.

In 2016, Westhaven completed 2 drill programs at the Shovelnose gold property for a total of 1,902 metres across 9 holes.

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Highlights from the drilling include:

- SN16-01 intersected **0.30 g/t Au over 33.0 metres** including **0.45 g/t Au over 10.6 metres**.
- SN16-02 intersected **0.27 g/t Au over 119.6 metres** starting at bedrock including;
 - **16.7 g/t Au and 29.9 g/t Ag over 0.5 metre** and;
 - **4.95 g/t Au and 43.7 g/t Ag over 0.6 metre**.
- SN16-06 intersected **0.17 g/t Au over 134 metres** including **1.48 g/t Au over 2 metres**.
- SN16-07 intersected **0.23 g/t Au over 161 metres** including;
 - **0.81 g/t Au over 5 metres** and;
 - **1.69 g/t Au over 5 metres** and;
 - **3.58 g/t Au over 2 metres**.
- SN16-08 intersected **0.25 g/t Au over 41 metres**.

Quartz veining encountered in drill holes SN16-02, 06, 07, 08 and 09, all drilled into the Alpine Zone target, suggests that a deeper feeder source dips to the west and extends over 800 metres northward along strike. The style of mineralization is similar to that found at the Tower Zone, situated approximately 400 metres west. Management is very encouraged with recent drilling as we continue to find better gold grades locally within greater thicknesses of gold mineralization. It is management's belief that these drill intersections are indicative of a potentially larger, higher grade mineralized system at depth.

Future drilling will target deeper gold mineralization along the projected feeder zones south of the Tower zone and west and south of the Alpine zone.

In June, 2017 Westhaven initiated approximately 50 line kilometres of ground magnetics. The purpose of this program is to increase the resolution of the survey to 50-m line spacing to help uncover favorable structures at the Tower, MIK and Alpine zones where drilling has traced a broad zone of near surface, lower grade gold-silver mineralization. At present the major structural direction(s) are not fully known and demagnetized linear features may be related to major structures. It is essential to determine structural controls in order to drill target structural zones that may be associated with additional zones of gold-silver mineralized veins. The survey was completed in June to help refine known targets at the Tower and Alpines Zones and to help define additional targets to the east. This survey has confirmed the structural trend of the Tower Zone and has identified additional structures to the east of the Tower and Alpine zones. Further magnetic interpretation is ongoing.

In July, 2017 the Company initiated geological mapping, prospecting and soil sampling to follow-up previously defined gold in soil anomalies lying east and southeast of a cluster of known showings that includes the previously drilled Tower and Alpine zones.

A clay mineralogical study utilizing short wave infrared spectroscopy (SWIR) was completed this July to provide vectors towards mineralized hydrothermal feeder zones. The Tower Zone was confirmed as such a target. This study has also identified the potential for additional feeder zones in the vicinity of the Line 6 showing to the west and the Alpine Zone to the east. The data from the recent magnetic survey and clay mineralogy studies will be used to assist in prioritizing targets for a drilling program planned for later this year.

The SWIR work was carried out with a TerraSpec spectrometer by Kim Heberlein (P.Geo) of Maple Ridge, B.C. This is a non-destructive and efficient method of analysing for a number of key hydrous alteration minerals, in particular those which are not readily identifiable by the human eye. Clays, carbonates, chlorites, certain sulphates, silicates and many other minerals can be quickly identified and alteration zoning outlined. By running analysis on select samples, the focus of exploration can be rapidly fine-tuned.

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Prospect Valley Gold Property

The 10,871 hectare Prospect Valley (PV) Gold Property is located roughly 30 kilometres to the west of Merritt, British Columbia and is situated in the SBGB. The property is road accessible and benefits from its proximity to both towns and highways. Westhaven acquired a 100% interest in this property, subject to a 2% NSR, in February 2016.

The PV gold property was first staked in the fall of 2001 as a result of the discovery of numerous gold-bearing quartz vein and breccia float occurrences demonstrating classic epithermal textures. The identification of low-sulphidation epithermal mineralization in both outcrop and float has focused exploration on the property to the Discovery, NIC, Northeast Extension and Bonanza Valley zones.

Subsequent to the 2001 discovery, and prior to Westhaven's involvement, there has been considerable work completed including:

- Multiple iterations of soil sampling
- Helicopter-borne and ground geophysics including magnetic and Induced Polarization surveys
- 1,641 metres of trenching
- 57 holes of diamond drilling for a total of 8,818 metres

Drilling Highlights include:

- DDH-2006-21 returned **45.70m** of **1.57g/t gold** including **4.60m** grading **4.38g/t gold** and **8.90m** grading **2.03g/t gold**.
- DDH-2007-01 returned **61.40m** of **0.70g/t gold** and **4.70g/t silver**.
- DDH-2007-01 returned **61.40m** of **0.70g/t gold** and **4.70g/t silver**.
- DDH-2007-05 returned **6.71m** of **3.62 g/t gold** including **1.33m** grading **12.20 g/t gold** and **24.30 g/t silver**.
- PV-10-08 returned **68.69m** of **0.89g/t gold** including **32.64m** of **1.32g/t gold** and **7.53m** grading **2.93 g/t gold**.

The majority of historical drilling on the PV property has taken place in the centre of the claim block, along the Discovery Trend. This drilling outlined an extensive low grade epithermal gold system with indications of potential for additional and higher grade mineralization.

In 2012, a *NI43-101 compliant inferred mineral resource estimate was completed on behalf of Berkwood Resources Ltd by Henry Awmack, P.Eng. of Equity Exploration Consultants Ltd and Gary Giroux, P.Eng., M.A. Sci. of Giroux Consultants Ltd. The resource focused only on the Discovery Zone. The resource utilized data taken from 45 of the 57 drill available drill holes completed to that date and resulted in a resource estimate of 166,000 ounces of gold grading 0.511 g/tonne from 10.1 million tonnes above a cut-off grade of 0.30 g/tonne gold. Mineralogical and alteration studies indicate potential for a high grade mineral system at depth.

Westhaven's inaugural exploration effort at the PV property began in July, 2016 with the initiation of a soil sampling program. A total of 1,028 soil samples were collected in the area southeast and east of the Discovery Zones where there are two magnetic low anomalies that share similar linear features to those at the Discovery Zones. Detailed mapping and prospecting covered areas with little to no prior exploration.

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Discovery Trend

The Discovery Trend is defined as a 4-kilometre northeast trending magnetic low of which 1.8 kilometres thus far has been identified as containing mineralized quartz veining. To date there have been 45 holes drilled on the Discovery Trend including an intercept grading 1.57g/t gold over 45.70 metres and higher grade intercepts grading 22.20 g/t gold over 0.97 metre and 12.20 g/t gold over 1.33 metres. Mineralogical and alteration studies indicate potential for a high grade mineral system at depth.

Mapping and prospecting were carried out over targets north of the Discovery Zones along the Discovery Trend. Quartz veining is confirmed to continue northward along the Discovery Trend to the Ridge Target, 1.2 kilometres northeast of the Discovery North Zone. Elevated gold assays were encountered in several rock samples collected during mapping and prospecting at the Ridge Target, an area of anomalous rock and soil geochemistry. A composite grab sample from comb textured quartz veinlets, outcropping in limonitic basalt over a 7x3 metre area located 1.2 kilometres northeast of the Discovery North zone, returned **7.47 g/t gold (Au)**. A second sample, 280 metres west-southwest of the previous sample, from an 11 centimetre wide quartz-calcite breccia vein cutting strongly bleached and moderately limonitic basalt, assayed **1.25 g/t Au**.

In addition, preliminary surface sample results have indicated that mineralized quartz continues at least 250 metres northeast of the Discovery North Zone where a grab sample of subangular quartz-calcite, from abundant altered and veined hostrock float suspected to be near source, returned assays of **21.7 g/t Au** and **17.65 g/t Ag**. This discovery is approximately 1 kilometre to the southwest of the 7.47 g/t Au grab sample originating at the Ridge Target. This represents a new discovery, with a significantly higher gold grade than that which has been encountered in all previous surface and drill sampling along the Discovery Trend.

Mapping and aeromagnetic survey data has confirmed that the Northeast Extension Zone Target, 1.3 kilometres northeast of Discovery North, is along a subparallel en-echelon structure 250 metres east of the Discovery Trend. Previous reconnaissance sampling of quartz veins over a 70-metre strike length has returned assays ranging from 0.12 g/t Au to 4.53 g/t Au. Aeromagnetic data suggests this structure has a strike length of at least 1.7 kilometres, most of which remains underexplored.

Southeast of the Discovery Trend

Mapping was carried out over portions of the soil grid, 1.5 to 5 kilometres east of the Discovery Trend. A series of linear magnetic lows of similar northeast strike as the Discovery Trend anomalies were targeted in the soil sampling. Some of the magnetic lows were found to be related to weakly magnetic andesite units contained within a strongly magnetic gently east dipping basalt sequence. Several of the magnetic lows with coincident soil geochemical anomalies in Au and Ag remain to be field checked.

In September 2016, Westhaven initiated a diamond drill program which consisted of 1,508 metres across 8 holes. The limited drill program focused on two areas. In the Discovery South Zone drilling targeted the western down dip extension of previously drilled near surface gold mineralization. In the Southeast Extension drilling targeted coincident near surface gold-in-soil geochemical and shallow IP chargeability anomalies as well as a deep, stronger IP chargeability anomaly that extends north-south over a strike length of 900 metres.

Discovery South Zone

Holes PV16-01 to PV16-03 tested the western extension of gold mineralization in the Discovery South zone. PV16-02 intersected **0.57 g/t Au** and **7.81 g/t Ag** over **4 metres**. PV16-01 intersected **1.07 g/t Au** and **4.2 g/t Ag** over **2 metres**. PV16-03 intersected **0.37 g/t Au** over **6 metres**. Hole PV16-04, drilled to test the continuity of higher grade mineralization, intersected **0.70 g/t Au** and **5.71 g/t Ag** over **95.8 metres** starting at bedrock including, **1.36 g/t Au** and **10.43 g/t Ag** over **38 metres** and **2.23 g/t Au** and **15.18 g/t Ag** over **15 metres**.

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Southeast Extension

The Southeast Extension is the southward continuation of the mineralized Discovery Trend, laterally offset to the east by a series of cross-faults. Drilling, surface mapping and prospecting encountered altered (silica, sericite, pyrite, secondary potassium feldspar) volcanics, locally veined by quartz/chalcedony. The intense nature of bleaching and alteration at shallower depths, coupled with prominent mercury and antimony anomalies indicates the upper portions of a well-developed and potentially gold-bearing hydrothermal system. Quartz float discovered along the western flank of Southeast Extension, assaying **9.49 g/t Au**, indicates a proximal source to gold mineralization here. Additional mapping and prospecting will be performed here to help outline additional mineralization.

Holes PV16-05 to PV16-08 were collared in the Southeast Extension. Although no significant gold assays were returned, gold pathfinder elements including As (arsenic), Sb (antimony), Hg (mercury) and Mo (molybdenum) were highly anomalous in numerous intersections, including 7.84 g/t Ag, 983 ppm As, 99 ppm Sb and 144 ppm Hg. These pathfinder elements are important vectors to gold mineralization at Prospect Valley. The deep chargeability anomaly was found to be due to intense silica, potassium, and sericite alteration zone bounding large (up to 1 metre wide) cherty veins containing up to 50% sulphides composed mainly of pyrite and containing highly anomalous pathfinder elements

There is numerous gold-in-soil anomalies that have never been drill tested, along with several prospective areas delineated by prospecting, and areas of the Property containing magnetic and stream sediment anomalies remain to be evaluated.

Work is planned farther north along the Discovery Trend, where significant gold values were returned this season from surface sampling (up to 21 g/t Au from Discovery North, up to 7 g/t Au from Ridge). A second parallel structure (Northeast Zone) has been recognized, en-echelon to the Discovery Trend, which continues northeast for 2 kilometres. The Northeast Zone is known to host gold mineralization based on surface sampling of quartz veining (to 4.5 g/t Au), but has seen very little exploration over its 2-kilometre strike length. Gold in soil geochemical anomalies (to 450 ppb Au) coincide with the surface trace of this structure, adding to its potential.

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Selected Financial Information

The following selected financial data is derived from the unaudited financial statements prepared in accordance with "IFRS". The 3 months ending June 30, 2017.

The following selected financial data is derived from the unaudited financial statements prepared in accordance with "IFRS". The 3 months ending June 30, 2017.	
Total Revenue (Interest):	\$0
Income (Loss) before other Items:	(\$222,612)
Net Loss:	(\$222,348)
Loss per Common Share, basic and diluted:	(\$0.01)
Total Assets:	\$2,703,577
Long Term Debt:	\$0
Dividends Paid/Payable:	\$0

Results of Operations

During the 3 month period ended June 30, 2017 the Company recorded a net loss of \$222,348 (vs. \$85,653 in Q2 2016). During the current quarter, a \$122,710 non-cash expense was incurred relating to an options grant announced on April 13, 2017.

The major expenses for the current quarter included Professional and consulting fees of \$25,000 (vs. \$25,000 in Q2 2016 period); Rent in the amount of \$7,067 (vs. \$6,354 in Q2 2016); Regulatory and Filing fees totalling \$6,303 (vs. \$6,795 in Q2 2016); General and Administrative of \$2,560 (vs. \$2,404 in Q2 2016); Advertising and promotion of \$32,778 (vs. \$4,240 in Q2 2016) and Interest \$10,123 (vs. \$10,800 in Q2 2016); Travel of \$4,890 (vs. \$2,228 Q2 2016); and Professional fees of \$5,774 (vs. \$4,216 in Q2 2016). The increases in professional, advertising/promotions and travel expenses in Q2 2017, when compared to the same period in 2016, are largely attributable to increases in exploration activity across the Company's SBGB properties in 2016, efforts to communicate with current and potential investors, and the initiation of exploration activities for the 2017 field season.

Summary of Quarterly Results

The following selected financial data is derived from the unaudited interim financial statements prepared in accordance with "IFRS".								
	3 Months Ending June 30, 2017	3 Months Ending March 31, 2017	3 Months Ending December 31, 2016	3 Months Ending September 30, 2016	3 Months Ending June 30, 2016	3 Months Ending March 31, 2016	3 Months Ending December 31, 2015	3 Months Ending September 30, 2015
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss before other Items:	(\$222,612)	(\$85,806)	(\$98,712)	(\$144,568)	(\$86,653)	(\$77,475)	(\$855,122)	(\$47,327)
Net Loss:	(\$222,348)	(\$85,771)	(\$98,712)	(\$144,568)	(\$85,653)	(\$77,475)	(\$855,122)	(\$47,327)
Loss per Common Share, Basic and Diluted	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.03)	(\$0.01)
Loan payable:	(\$420,000)	(\$410,000)	(\$469,829)	(\$448,947)	(\$419,702)	(\$390,462)	(\$361,367)	(\$217,625)
Dividends Paid or Payable:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Mineral Properties

Amounts capitalized as mineral property costs are as follows:

	Shovelnose	Prospect Valley	BEN South	Skoonka Creek	TOTAL
Balance, December 31, 2015	\$ 1,254,310	\$ 141,190	\$ 54,783	\$ -	\$ 1,450,283
Deferred exploration costs					
Acquisition costs	1,094	75,675	-	-	76,769
Geological and assays	99,652	216,358	-	-	316,010
Drilling	211,495	164,743	-	-	376,238
Lab fees	39,421	42,487	-	-	81,908
Total additions during the year	351,662	499,263	54,783	-	850,925
Impairment of acquisition and exploration costs	-	-	(54,783)	-	(54,783)
Net change during the year	351,662	499,263	(54,783)	-	10,914
Balance, December 31, 2016	1,605,972	640,453	-	-	2,246,425
Deferred exploration costs					
Acquisition costs	-	-	-	181,548	181,548
Geological and assays	45,587	47,589	-	10,742	103,918
Drilling	-	-	-	-	-
Lab fees	73	-	-	-	73
Total additions during the period	45,660	47,589	-	192,290	285,539
Impairment of acquisition and exploration costs	-	-	-	-	-
Net change during the period	45,660	47,589	-	192,290	285,539
Balance, June 30, 2017	\$ 1,651,632	\$ 688,042	\$ -	\$ 192,290	\$ 2,531,964

Realization

The Company's investment in and expenditures on the mineral property interests comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope

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of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

Related Party Transactions

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

Short-term employee benefits for key management compensation were paid to personal service corporations for the six months ended June 30 as follows:

	2017	2016
Anglo Celtic Exploration Ltd.	\$ 25,000	\$ 25,000
Gravitas Advisory Services	25,000	25,000
Total key management compensation	\$ 50,000	\$ 50,000

Anglo Celtic Exploration Ltd.

Anglo is a company owned by Grenville Thomas, Chief Executive Officer of the Company, and Gareth Thomas, a director of the Company.

In addition to the above costs, the Company paid \$13,635 (2016 - \$12,710) of rent and office expenditures to Anglo. On June 30, 2017 a total of \$83,892 (December 31, 2016 - \$43,851) due to Anglo is included in accounts payable and accrued liabilities.

On November 19, 2014, the Company entered into an agreement with Anglo to provide an unsecured loan of \$200,000. The outstanding balance of the loan is to be repaid within 12 months. The Company may repay the loan at any time without any prepayment penalty. The loan will accrue interest at a rate of 10% per annum.

On October 14, 2015 the Company and Anglo amended the terms of the loan to increase the principal to \$400,000 and to extend the repayment date to November 19, 2016. The loan will accrue interest at a rate of 10% per annum. As further consideration, the Company agreed to pay Anglo a bonus of 20% of the value of loan principal through issuance of the Company's common shares. On October 22, 2015 the Company issued 1,230,769 shares in payment of the bonus recorded at the fair value of the shares of \$0.065.

On January 26, 2017 the Company and Anglo agreed to extend the maturity date of the loan to June 30, 2017 on the same terms.

The balance of the outstanding loan at June 30, 2017 includes accrued interest of \$20,000 (December 31, 2016 - \$69,829).

The aggregate finance fees (bonus shares) and comprehensive loss were recorded against the loan balance and were amortized to the statement of loss and comprehensive loss over the life of the loan, based on the original maturity date using the effective interest method. The debt discount was fully amortized as at December 31, 2016.

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The loan balance is comprised as follows:

	Principal at beginning of the period	Interest Payment	Accrued interest expense	Loan balance at end of period
December 31, 2016	\$ 400,000	-	69,829	\$ 469,829
	\$ 469,829	(69,829)	20,000	\$ 420,000
June 30, 2017				

Gravitas Advisory Services ("Gravitas")

Gravitas is a company owned by Shaun Pollard, Chief Financial Officer of the Company.

Capital Management

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2017. The Company is not subject to externally imposed capital requirements.

Commitments

On January 1, 2017, the Company entered into a rent-sharing agreement with a company controlled by common officers and directors for the rental of office premises, expiring December 31, 2019. Under the terms of the agreement, the Company is committed to minimum annual payments of \$26,605 for fiscal 2017.

Events After Reporting Period

On July 1, 2017 the Company and Anglo agreed to extend the maturity date of the loan (note 7) to June 30, 2018 on the same terms.

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Change in Accounting Policies

During the three months ended June 30, 2017, the Company adopted the following new accounting policies:

Transition to and Initial Adoption of IFRS

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian generally accepted accounting principles ("Canadian GAAP") for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011. The Company adopted IFRS for the period beginning January 1, 2011 with a transition dated of May 5, 2010 the start of operations. The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Previously, the Company prepared its annual and interim financial statements in accordance with Canadian GAAP.

The accounting policies set out below have been applied consistently to all periods presented in the unaudited condensed interim financial statements.

Impact of Adopting IFRS on the Company's Business

As management had anticipated, given the business of the Company as a Capital Pool Company and given the limited number of transactions that the Company has entered into since incorporation, the impact on the adoption of IFRS had no impact on the Company's financial position, financial performance and cash flows. Specifically, the main areas of accounting focus for the Company to date have been, and will continue to be prior to the consummation of a Qualifying Transaction, the issuance of share capital, the recording of share based payments and the recording of cash transactions for which there are very few or no significant differences between IFRS and Canadian GAAP. The adoption of IFRS has resulted in some changes to the Company's accounting systems and business processes; however the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Company's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies.

The Board of Directors and Audit Committee have been regularly updated through the Company's IFRS transition process, and are aware of the key aspects of IFRS affecting the Company.

First-time Adoption of IFRS

The Company did not use the exemptions listed in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

Impact of Adopting IFRS on the Company's Accounting Policies

The Company has changed certain accounting policies to be consistent with IFRS as is expected to be effective or available for early adoption on December 31, 2011, the Company's first annual IFRS reporting date. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements. The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

Impairment of (Non-financial) Assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value. The

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Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on the unaudited condensed interim financial statements.

Impact of Adopting IFRS on the Company's Financial Statements

(i) Transition date unaudited condensed statement of financial position

The Company's Transition Date IFRS unaudited statement of financial position is included as comparative information in the unaudited condensed interim statements of financial position in the financial statements. The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited interim statement of financial position as at the transition date.

(ii) Comparative unaudited condensed financial statements

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited statement of financial position as at December 31, 2010.

Accounting policies applied on adoption of IFRS

Basis of presentation

The unaudited condensed interim financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The unaudited condensed interim financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Cash

Cash includes cash on hand with a Canadian chartered bank and funds held in trust with the Company's corporate counsel.

Financial instruments

Financial assets: All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value. Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities: Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities: Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

De-recognition of financial liabilities: The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

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The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Loans and Receivables

Financial liabilities:	Classification:
Accounts payable and other liabilities	Other financial liabilities

Impairment of financial assets: Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial re-organization. The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value: Financial instruments recorded at fair value on the unaudited condensed interim statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of March 31, 2012 and December 31, 2011, none of the Company's financial instruments are recorded at fair value on the unaudited condensed interim statement of financial position.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

Share based payment transaction

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

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Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Significant accounting judgments and estimates

The preparation of the unaudited condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the inputs used in measurement for warrants in the unaudited condensed interim statement of financial position;
- the inputs used in measurement for share based payments expense in the unaudited condensed interim statement of comprehensive loss; and
- the \$nil provision for income taxes which is included in the unaudited condensed interim statements of comprehensive loss and recognition of deferred income tax assets and liabilities included in the unaudited condensed interim statement of financial position at March 31, 2011.

Future accounting changes

The following standards have been issued but are not yet effective:

- Financial Instruments (IAS 39 replacement)
- Consolidation
- Fair Value Measurement
- Financial Statement Presentation
- Leases
- Revenue Recognition
- Joint Ventures
- Post-employment benefits
- Insurance contracts

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The Company is currently evaluating the impact of the above standards on its financial performance and financial statement disclosures but expects that such impact will not be material.

Financial Instruments

The Company's financial instruments, consisting of cash and accounts payable and other liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company is not exposed to any liquidity risk.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements, and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's responsibility for financial statements

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

August 29, 2017

On behalf of Management and the Board of Directors,

"Shaun Pollard"

Chief Financial Officer, Corporate Secretary and Director