

Westhaven Ventures Inc.
MANAGEMENT'S DISCUSSION & ANALYSIS
Third Quarter Ending September 30, 2018
Dated as of Wednesday November 28, 2018

For the quarter ended September 30, 2018

Dated November 28, 2018

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 September 30, 2018 and with the audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2017. 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 September 30, 2018 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 November 28, 2018.

Description of Business and Overview

Westhaven is a junior exploration company that is focused on the acquisition, exploration and development of resource properties.

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 complete equity financings or generate profitable operations in the future.

Capital Stock as of November 28, 2018

Shares Outstanding:

- 84,942,291

Options:

- 350,000 Exercisable at \$0.15 until April 15, 2019
- 2,200,000 Exercisable at \$0.05 until December 28, 2020
- 1,200,000 Exercisable at \$0.10 until April 13, 2022
- 1,350,000 Exercisable at \$0.14 until March 21, 2023
- 2,900,000 Exercisable at \$1.20 until November 14, 2023

Warrants:

- 1,010,000 Exercisable at \$0.07 until February 29, 2019
- 821,500 Exercisable at \$0.10 until October 17, 2019
- 454,545 Exercisable at \$0.13 until October 17, 2019
- 250,000 Exercisable at \$0.10 until October 25, 2019

Fully Diluted:

- 95,478,336

Directors and Officers own ~33% of the outstanding shares.

Should the 10,536,045 options and warrants be exercised, the Company will receive gross proceeds of \$4,188,441.

Westhaven Overview

Westhaven is focused on grassroots exploration with a view to discovering the next generation of economic gold deposits. For a plethora of economical and geological reasons, fewer and fewer discoveries have been made in recent years. This means that new economic gold discoveries should be in high demand and command significant values.

The Company is advancing its Shovelnose, Prospect Valley, Skoonka and Skoonka North gold-silver properties, all are located in the Spences Bridge Gold Belt (the "SBGB"), in British Columbia, Canada.

Westhaven is the second largest claims holder in the SBGB with 4 properties spanning roughly 35,000 hectares.

The SBGB projects overview:

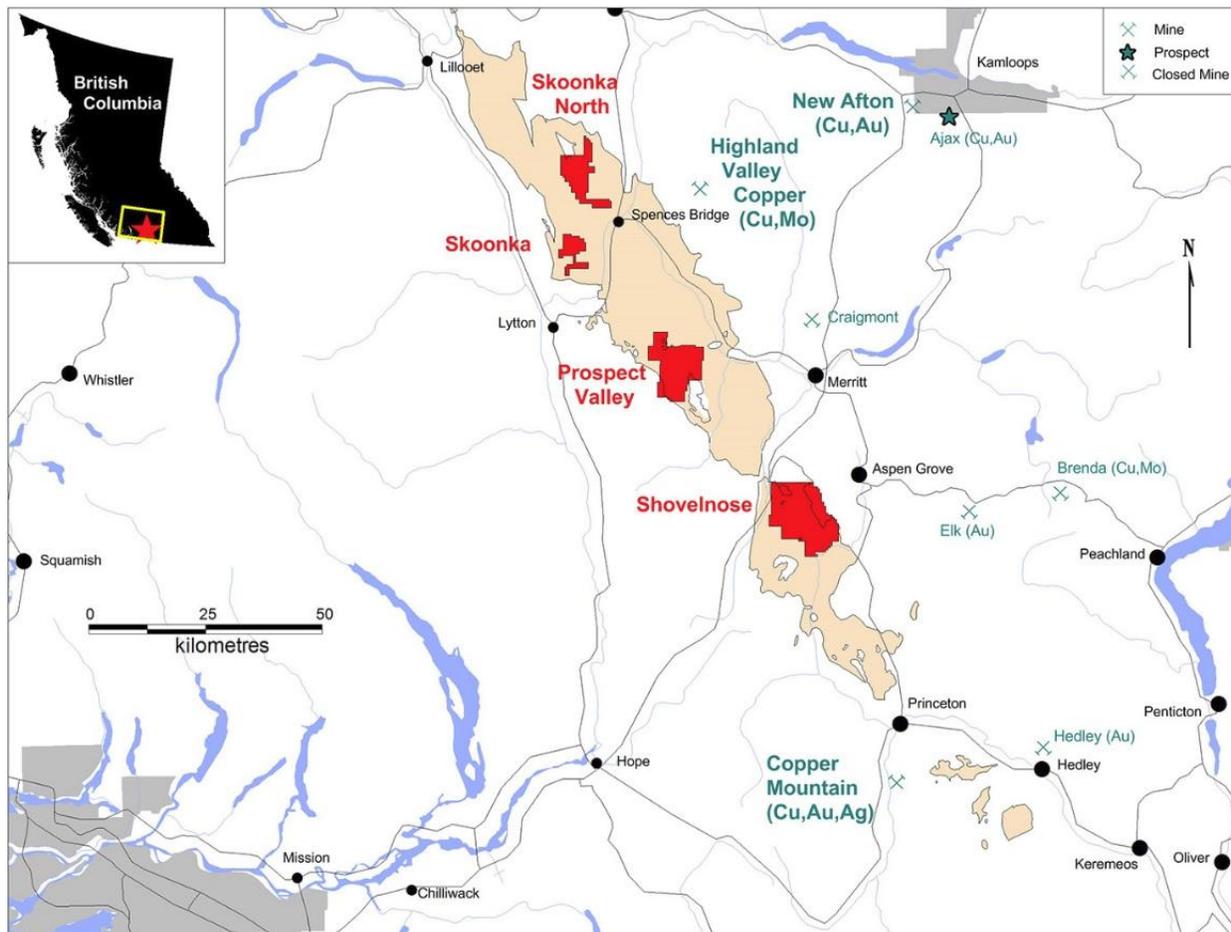
- Large land package on underexplored gold belt*
- District-scale potential*
- 100% ownership of claims*
- Low-cost exploration*
- Close proximity to power and rail*
- Road accessible and close to major highways*
- Close proximity to producing mines and expertise*

The Directors and Officers of Westhaven own ~33% 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. Management recognizes that value creation is driven by advancing its properties while keeping general & administrative costs to a minimum. This is evidenced by the fact that, for the year up to September 30, 2018 Westhaven had capitalized \$1,055,782 in exploration spend across its project portfolio vs. incurring only \$284,161 in cash operating costs.

For the nine months ending September 30, 2018, the treasury increased by an additional \$1,989,203 as a result of warrant and option exercise. Subsequent to the quarter end, and as a result of further warrant and option exercise, Westhaven issued 9,112,485 shares for \$967,430.

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 35,000 hectares situated within a geological and structural setting similar to other significant epithermal gold-silver systems.



On October 16, 2018 it was announced that Sable Resources Ltd (TSXV: SAE) had staked 189,197 hectares covering over 70% of workable ground of the SBGB. This is believed to be the single largest staking exercise in the history of British Columbia. In accordance with an existing Confidentiality and Non-Disclosure Agreement between the two companies, any ground staked by Sable within 5 kilometres of Westhaven's existing projects will be subject to a 2.5% Net Smelter Royalty. In addition, Westhaven has a 30 day Right of First Refusal (ROFR) on any properties outside this 5-kilometre radius. Sable Resources and Westhaven have a combined control of 86% of the SBGB (225,000ha).

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 a prospective stratigraphy of 15,542 hectares in the southern SBGB. Westhaven has a 100% interest in this property subject to a 2% NSR. Westhaven has the option to purchase 1% of the 2%NSR back for \$500,000.

There is evidence of a significant mineralized alteration system within the property where float samples grading 119 g/t Au (Gold) and 273 g/t Ag (Silver), veins exposed by trenching grading 66 g/t Au, and wide low-grade alteration zones typical of epithermal gold deposits.

During September, 2018 Westhaven completed its second drill program of the year at the Shovelnose gold property. This program consisted of 10 holes totalling ~3,721 metres (m's) of diamond drilling focused in the South Zone.

This program resulted in the most significant drill intercepts encountered at the property to date.

2018 Exploration Highlights Include:

- The strike length of the newly discovered South Zone is now 700 metres and is open to east and southeast.
- DDH SN18-03 included **28.7m of 2.6 g/t Au** including **2.9m grading 9.7 g/t Au**.
- DDH SN18-12 included **1.65m of 175 g/t Au** and **249 g/t Ag**, including **0.65m of 285 g/t Au** and **255 g/t Ag** & also **175m of 0.65 g/t Au**, including **4.00m of 11.82 g/t Au**.
- DDH SN18-14, which is 260m's to the southeast of SN18-12, included **17.70m of 24.50 g/t Au** and **107.92 g/t Ag**, including **6.78m of 50.76 g/t Au** and **203.54 g/t Ag**.
- Encountered a 20-metre quartz vein and visible gold in DDH SN18-15.
- DDH SN18-15, which is 100m's to the southeast of SN18-14, returned **46.20m's of 8.95 g/t Au** and **65.47 g/t Ag**, including **5.00m of 14.70 g/t Au** and **215.00 g/t Ag**.

Westhaven recently completed a helicopter-borne high resolution aeromagnetic survey over the entire property. The survey block was flown in a systematic low-level grid pattern at 75 metre line spacings, covering a total of 2,376 line kilometres. The airborne survey outlined numerous magnetic lows throughout the property. These could be indicative of favourable structures that may be associated with additional zones of gold-silver mineralized veins. Subsequent to the completion of the airborne survey, Westhaven initiated a ground magnetic survey and passive seismic survey. The purpose of this ground geophysics program is to extend coverage to the south of the South Zone and better define potential structural trends within a newly identified vein system with wider sections of mineralization.

In early November, 2018 Westhaven initiated a fully-financed drill program consisting of approximately 2,500m's of diamond drilling. The focus of the current program is to expand on this recently encountered higher grade gold in the South Zone. The property benefits from its proximity to infrastructure allowing for low cost, year-round exploration.

Skoonka & Skoonka North Gold Properties

Westhaven has recently completed an airborne geophysical survey across its 2,784 hectare Skoonka and 6,167 hectare Skoonka North gold properties.

The helicopter-borne high resolution aeromagnetic survey was flown over both properties and covered a combined 8,951 hectares. The survey block was flown in a systematic low-level grid pattern at 75-metre line spacing over the Skoonka property and 100-metre line spacing over the Skoonka North property. Combined this covers a total of 1,186 line kilometres. The purpose of this program is to increase property coverage and to help uncover favourable structures. It is important to determine structural controls that may be associated with additional zones of gold-silver mineralized veins.

Selected Financial Information

The following selected financial data is derived from the unaudited financial statements prepared in accordance with "IFRS". The 3 months ending September 30, 2018:

The following selected financial data is derived from the unaudited financial statements prepared in accordance with "IFRS". The 3 months ending September 30, 2018.	
Total Revenue (Interest):	\$0
Income (Loss) before other Items:	(\$68,350)
Net Loss:	(\$68,350)
Loss per Common Share, basic and diluted:	(\$0.01)
Total Assets:	\$4,659,274
Long Term Debt:	\$273,000
Dividends Paid/Payable:	\$0

Results of Operations

During the 3 month period ended September 30, 2018 the Company recorded a net loss of \$68,350 (vs. \$55,913 in Q3 2017). The increase can largely be attributed to an increase in Management Fees from \$25,000 in Q3 2017 to \$37,500 in Q3 2018.

The major expenses for the current quarter included Management fees of \$37,500 (vs. \$25,000 in Q3 2017 period); Rent in the amount of \$6,749 (vs. \$6,819 in Q3 2017); General and Administrative of \$7,810 (vs. \$2,474 in Q3 2017); Advertising and promotion of \$3,149 (vs. \$10,444 in Q3 2017); Interest of \$11,520 (vs. \$10,087 in Q3 2017); and Professional fees of \$712 (vs. Nil in Q3 2017).

Summary of Quarterly Results

	3 Months Ending September 30, 2018	3 Months Ending June 30, 2018	3 Months Ending March 31, 2018	3 Months Ending December 31, 2017	3 Months Ending September 30, 2017	3 Months Ending June 30, 2017	3 Months Ending March 31, 2017	3 Months Ending December 31, 2016
Total Revenue	\$0	\$0	\$0	\$116	\$225	\$264	\$35	\$0
Loss before other Items:	(\$68,350)	(\$94,015)	(\$285,621)	(\$43,915)	(\$56,138)	(\$222,612)	(\$85,806)	(\$98,712)
Net Loss:	(\$68,350)	(\$94,015)	(\$285,621)	(\$43,799)	(\$55,913)	(\$222,348)	(\$85,771)	(\$98,712)
Loss per Common Share, Basic and Diluted	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)
Loan payable:	(\$273,000)	(\$462,000)	(\$451,000)	(\$440,000)	(\$430,000)	(\$420,000)	(\$410,000)	(\$469,829)
Dividends Paid/Payable:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Mineral Properties

Amounts capitalized as mineral property costs are as follows:

	Shovelnose Gold Property	Prospect Valley Property	Skoonka Creek Property	Skoonka North Property	Total
Balance, December 31, 2016	\$ 1,605,972	\$ 640,453	\$ -	\$ -	\$ 2,246,425
Deferred exploration costs					
Acquisition costs	-	-	182,048	-	182,048
Geological and assays	195,865	54,242	45,748	-	295,855
Drilling	367,415	-	-	-	367,415
Lab fees	70,517	-	8,469	-	78,986
Total additions during the year	633,797	54,242	236,265	-	924,304
Mining tax credits	(177,455)	(15,224)	(15,217)	-	(207,896)
Net change during the year	456,279	39,018	221,048	-	716,408
Balance, December 31, 2017	2,062,314	679,471	221,048	-	2,962,833
Deferred exploration costs					
Acquisition costs	-	-	-	10,793	10,793
Geological and assays	184,404	6,413	4,340	-	195,157
Drilling	704,133	-	-	-	704,133
Lab fees	145,699	-	-	-	145,699
Total additions during the	1,034,236	6,413	4,340	10,793	1,055,782
Net change during the period	1,034,236	6,413	4,340	10,793	1,055,782
Balance, September 30, 2018	\$ 3,096,550	\$ 685,884	\$ 225,388	\$ 10,793	\$ 4,018,615

Shovelnose Gold Property, British Columbia, Canada

In January 2011, the Company signed an option agreement (the “Shovelnose Agreement”) with Strongbow Exploration Inc. (“Strongbow”) whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Strongbow in 2005 and 2008. A director of the Company is also a director of Strongbow.

Under the terms of the Shovelnose Agreement, the Company would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Strongbow and incurring \$1,500,000 (\$750,000 incurred) in exploration expenditures on the property.

On September 1, 2015 the Company entered into a new purchase agreement with Strongbow to acquire 100% of the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement the Company acquired a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Strongbow was granted a 2% net smelter returns royalty (“NSR”) on the property. The Company will retain the right to reduce the NSR to 1% by paying Strongbow \$500,000 at any time prior to the commencement of commercial production.

Prospect Valley Gold Property, British Columbia, Canada

On September 21, 2015 the Company entered into an option and purchase agreement with Berkwood Resources Ltd. (“Berkwood”) to acquire a 70% interest the Prospect Valley Gold Property near Merritt. The Company paid \$20,000 to Berkwood upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of \$80,000 and issued 500,000 common shares. The common shares have a hold period of five years.

On February 16, 2016 the Company acquired the remaining 30% interest in the Property for a cash payment of \$40,000 and the issue of 500,000 common shares. The common shares have a hold period of five years.

Skoonka Creek Gold Property, British Columbia, Canada

On May 24, 2017, the Company signed a purchase agreement with Strongbow Exploration Inc. (“Strongbow”), and Almadex Minerals Ltd. (“Almadex”), to acquire 100% interest in the Skoonka Creek gold property, located within the prospective Spences Bridge Gold Belt (SBGB), British Columbia. Under the terms of the agreement the Company issued 2,000,000 common shares (issued on May 30, 2017) at a price of \$0.09 per share. Almadex retains its original net smelter royalty of 2% from future production.

Skoonka North Gold Property, British Columbia, Canada

In May 2018 the Company staked an additional gold mineral property, Skoonka North, within the Spences Bridge Gold Belt, British Columbia for total acquisition costs of \$10,793.

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 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 nine months ended September 30, 2018 as follows:

	2018	2017
Anglo Celtic Exploration Ltd.	\$ 56,250	\$ 37,500
Gravitas Advisory Services	56,250	37,500
Total key management compensation	\$ 112,500	\$ 75,000

Share-based payment of expense allocated to key management during the nine months ended September 30, 2018 was \$109,000 (September 30, 2017-\$nil).

Anglo Celtic Exploration Ltd. ("Anglo")

Anglo is a company owned by Grenville Thomas, Chairman of the Company, and Gareth Thomas, President, CEO and a director of the Company.

In addition to the above costs, the Company paid \$20,247 (2017 - \$20,454) of rent and office expenditures to Anglo. On September 30, 2018 there were no amounts due to Anglo (December 31, 2017 - \$86,224) 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 September 30, 2018, the Company repaid \$200,000 toward the loan and accrued interest. The Company and Anglo agreed to extend the maturity date of the loan to September 30, 2019 on the same terms. The balance of the outstanding loan at December 31, 2017 included accrued interest of \$40,000.

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 September 30, 2018. The Company is not subject to externally imposed capital requirements.

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk exists with respect to the Company's cash, as amounts are held with a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	September 30 2018	December 31 2017
Cash – Canadian dollars	\$ 505,789	\$ 59,514

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At September 30, 2018, the Company had cash in the amount of \$505,789 (2017 - \$9,551), accounts payable and accrued liabilities of \$15,908 (2017 - \$131,846) and loan payable of \$273,000 (2017 - \$430,000). All the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2018. The loan is repayable on September 30, 2019.

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 2018 and 2019.

Events After Reporting Period

On October 16, 2018 it was announced that Sable Resources Ltd (TSXV: SAE) had staked 189,197 hectares covering over 70% of workable ground of the SBGB. This is believed to be the single largest staking exercise in the history of British Columbia. In accordance with an existing Confidentiality and Non-Disclosure Agreement between the two companies, any ground staked by Sable within 5 kilometres of Westhaven's existing projects will be subject to a 2.5% Net Smelter Royalty. In addition, Westhaven has a 30 day Right of First Refusal (ROFR) on any properties outside this 5-kilometre radius. Sable Resources and Westhaven have a combined control of 86% of the SBGB (225,000ha).

In November, 2018 Westhaven granted 2,900,000 stock options to directors, officers and consultants. The options are exercisable at a price of \$1.20 and are valid for a 5 year period from the date of grant.

As of November 28, 2018 and subsequent to the quarter end, as a result of further warrant and option exercise, Westhaven issued 9,112,485 shares for \$967,430.

Change in Accounting Policies

During the nine months ended September 30, 2018, 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 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.

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.

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

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.

November 28, 2018

On behalf of Management and the Board of Directors,

"Shaun Pollard"

Chief Financial Officer, Corporate Secretary and Director