



(the “Company”)

INTERIM MANAGEMENT’S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Nine Months Ended September 30, 2018

General

This interim Management’s Discussion and Analysis (“Interim MD&A”) supplements, but does not form part of, the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2018. The following information, prepared as of November 15, 2018, should be read in conjunction with the Company’s unaudited condensed interim financial statements for nine months ended September 30, 2018 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards (“IFRS”). In addition, the following should be read in conjunction with the Financial Statements of the Company for the year ended December 31, 2017 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2018 financial statements have not been reviewed by the Company’s auditors.

Additional information relevant to the Company’s activities can be found on SEDAR at (www.sedar.com).

Forward-looking Information

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation (“Forward-looking Statements”). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to the Company’s plans for exploration of its properties; the sufficiency of the Company’s cash position; and its ability to raise equity capital or access debt facilities. Often, but not always, these Forward-looking Statements can be identified by the use of words such as “anticipates”, “believes”, “plans”, “estimates”, “expects”, “forecasts”, “scheduled”, “targets”, “possible”, “strategy”, “potential”, “intends”, “advance”, “goal”, “objective”, “projects”, “budget”, “calculates” or statements that events, “will”, “may”, “could” or “should” occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve 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 any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration;
- fluctuations in commodity prices, foreign exchange rates, and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;

- risks associated with potential legal claims generally or with respect to environmental matters;
- dilution from further equity financing;
- competition; and
- uncertainties relating to general economic conditions;

as well as those factors referred to in the “Risks and Uncertainties” section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company’s properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matters;
- exploration activities proceeding on a basis consistent with the Company’s current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

Business of the Company

The Company is a Vancouver-based mineral exploration company engaged in the acquisition and exploration of precious and base metals properties. Management is focusing its efforts towards actively seeking prospective projects for acquisition by the Company, as well as possible joint ventures or other transactions for the Company’s Rivier Property described below.

In March and April 2018, the Company completed a restructuring of its Yukon property portfolio by selling or joint venturing its properties other than the Rivier claims.

Rivier Property

The Company has held a 100% interest in 16 Rivier claims for some years, and until late 2017, had an option to acquire an additional 100 Rivier claims. In April 2018, the Company entered into an agreement (the “Rivier and Sixty Mile Agreement”) with the owner (the “Rivier Owner”) of the 100 Rivier claims, to acquire such claims in consideration for transferring 63 of the Company’s Sixty Mile claims to the Rivier Owner, agreeing to make annual advance royalty payments of \$10,000 to the Rivier Owner commencing in April 2020, and granting to the Rivier Owner a 2% net smelter return royalty. As a result of the Rivier and Sixty Mile Agreement, the Rivier Property currently consists of 116 claims owned by the Company and which are in good standing until 2024.

The Rivier claims are located 90 kilometres southeast of Ross River, Yukon and are targets for lode gold mineralization of the Motherlode type. Geochemical results from soil sample programs identified three zones of anomalous gold values adjacent to a structurally controlled ultramafic body indicating the potential for significant gold mineralization. Each of the three zones includes at least one soil sample that contained over 2 grams per tonne gold.

Qualified Person: Bruce Smith, M.Sc., M.Eng., a member of the Australian Institute of Geoscientists, is the Company’s Qualified Person as defined by National Instrument 43-101, and is responsible for the accuracy of the technical information in this Interim MD&A.

Quarterly Information

The following table provides quarterly information for the eight fiscal quarters ended September 30, 2018:

Quarter Ended	Sep. 30, 2018 (\$)	Jun. 30, 2018 (\$)	Mar. 31, 2018 (\$)	Dec. 31, 2017 (\$)	Sep. 30, 2017 (\$)	Jun. 30, 2017 (\$)	Mar. 31, 2017 (\$)	Dec. 31, 2016 (\$)
Exploration expenditures	-	18,001	-	7,602	-	-	-	260
General and administrative expenses	24,730	30,788	31,493	40,259	26,774	24,773	31,219	46,734
Net income (loss)	(28,791)	(48,792)	(31,493)	2,139	(26,774)	(24,773)	(31,219)	(124,018)
Basic and diluted income (loss) per share	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.01)

The net loss for the quarter ended December 31, 2016 is higher than all other quarters presented due to a write-down in that quarter of \$77,024 on exploration and evaluation assets. The net income for the quarter ended December 31, 2017 was a result of the reversal of impairment of exploration and evaluation properties of \$50,000. Exploration expenditures for the quarters ended June 30, 2018 and December 31, 2017 were mostly related to the investigation of new property opportunities.

Results of Operations

Quarter ended September 30, 2018

The quarter ended September 30, 2018 had a net loss of \$28,791, compared to \$26,774 for the quarter ended September 30, 2017. The net loss for the current quarter consisted of \$24,730 in general and administrative expenses and a \$4,061 loss on debt settlement whereas the comparative quarter consisted only of general and administrative expenses. The loss on debt settlement was the result of 162,450 common shares being issued to settle an amount of \$16,245 owing to the President of the Company whereby the fair value of the shares on the issuance date was greater than the carrying value of the debt which was determined as of the date of the debt settlement agreement. All general and administrative costs for the current, except for salaries and benefits, were either the same or lower than those for the comparative period. The salaries and benefits expense for the current quarter was higher due to the Company's portion of shared personnel costs increasing in the current quarter.

Nine months ended September 30, 2018

The net loss for the nine month period ended September 30, 2018 was \$109,076 compared to \$82,766 for the nine month period ended September 30, 2017, an increase of \$26,310. The net loss for the current period consisted of \$18,001 in exploration expenditures, \$87,011 in general and administrative expenses, and the \$4,061 loss on debt settlement whereas the comparative period net loss consisted only of general and administrative expenses. As in the quarterly comparison, general and administrative costs, except for salaries and benefits expense, were either similar or lower in the current period. The salaries and benefits expense was higher in the current period for the same reason as in the quarterly comparison.

Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no cash flow from operations. The Company no longer has option agreements relating to the Rivier Property that had cash and share payments scheduled to be paid and received though the Company does have a commitment to make annual advance royalty payments of \$10,000 to the former Rivier owner commencing in April 2020.

As at September 30, 2018, current assets were \$126,033 of which \$119,100 was cash and \$3,376 was the fair value of equity investments (formerly called available-for-sale investments). Current liabilities were \$139,038, resulting in a working capital deficiency of \$13,005. The current liabilities balance includes \$138,683 that has been accrued over several quarters and is owing to related parties. The Company's last private placement to raise funds was in 2015 for \$250,000. Issued in this private placement were 5,000,000 share purchase warrants with an exercise price of \$0.05 per share, of which all were exercised during the 2017 fiscal year for proceeds of \$250,000. During the period ended September 30, 2018, the Company received proceeds of \$50,000 upon the sale of its Scarlet East and Face properties. Current funds are being used for new project investigations and for general working capital purposes.

The Company has primarily funded its operations through the issuance of equity financing. The Company does not expect its capital resources to be sufficient to cover its corporate operating costs and future exploration expenditures through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including the progress of property acquisition and exploration activity.

Related Party Transactions

During the current period, an amount of \$16,245 owed to the President of the Company for geological fees and expense reimbursement was settled with the issuance of 162,450 common shares of the Company.

See Note 11 of the condensed interim financial statements for the nine months ended September 30, 2018 for details of other related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing at www.sedar.com.

Share Position and Outstanding Options

As at November 15, 2018, the Company had 20,261,308 common shares issued and outstanding and the following share incentive stock options are currently outstanding:

<u>STOCK OPTIONS</u>		
<u>No. of options</u>	<u>Exercise price</u>	<u>Expiry date</u>
245,000	\$0.75	July 19, 2022

Accounting Policies and Basis of Presentation

The Company's significant accounting policies and future changes in accounting policies are presented in the audited financial statements for the year ended December 31, 2017. The following outlines the new accounting standard adopted by the Company effective January 1, 2018:

IFRS 9 Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 – Financial Instruments (“IFRS 9”), which replaced IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss (“ECL”) impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on transition date. The adoption of the ECL impairment model did not have an impact on the Company's condensed interim financial statements. IFRS 9 does not require restatement of comparative periods. Accordingly, the Company has reflected the retrospective impact of the adoption of IFRS 9 due to the change in accounting policy for equity investments as an adjustment to opening components of equity as at January 1, 2018.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

January 1, 2018		
	IAS 39	IFRS 9
Financial Asset		
Cash	Fair value through profit or loss ("FVTPL")	FVTPL
Receivables	Amortized cost	Amortized cost
Equity investments	Fair value through other comprehensive income ("FVOCI")	FVOCI
January 1, 2018		
	IAS 39	IFRS 9
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

The Company's equity investments consist of equity securities. For equity securities not held for trading, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. The Company elected to designate its equity securities as financial assets at FVOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income only and will not be recycled into income (loss) upon disposition. As a result of this change, the Company reclassified \$56,749 of impairment losses recognized in prior years on equity securities which continue to be held by the Company as at January 1, 2018 from opening deficit to accumulated other comprehensive income. As a result of adopting IFRS 9, the net change in fair value of the equity securities, including realized and unrealized gains and losses, if any, is now presented as an item that will not be reclassified subsequently to profit or loss in the Statements of Loss and Comprehensive Loss.

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets of cash and receivables and financial liabilities.

Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political and Regulatory Risks

The Company is currently operating in Canada which has a stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are considered low in Canada, the principal country of operation of the Company, but a change in social expectations could add new layers of risk to the viability of exploration and development properties.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.