WHITE METAL RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended July 31, 2018

September 18, 2018

General

This Management Discussion and Analysis ("MD&A") is dated September 18, 2018 and is in respect of the three month period ended July 31, 2018. The following discussion of the financial condition and results of operations of White Metal Resources Corp. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three month period ended July 31, 2018

The discussion should be read in conjunction with condensed consolidated interim financial statements for the three month period ended July 31, 2018, including the notes thereto. The Company's condensed consolidated interim financial statements have been prepared in accordance with International financial reporting standards ("IFRS"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars which is the Company's functional and reporting currency.

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

Going Concern

The condensed consolidated interim financial statements of the Company for the three month period ended July 31, 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the basis applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in mineral properties and exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop its properties and establish future profitable production from the properties, or from the proceeds of their disposition.

The Company is a development stage Company and has not earned any significant revenue to date. The Company has not yet determined whether its resource properties contain ore reserves that are economically recoverable.

Overview of the Company

The company is engaged in the acquisition, exploration and if warranted, development of mining properties in Canada. The Company currently holds interests in resource properties, located in Ontario and Newfoundland & Labrador, and intends to seek out and acquire additional properties, worthy of exploration and development, as finances permit. The exploration and development of the properties is accomplished either through direct expenditure by the Company or joint venturing of the property to another company. (see Section (1) in the Notes to the Condensed Consolidated Interim Financial Statements.) The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "WHM".

Financial and Operational Performance

Financial Condition

The Company's combined cash and restricted cash balance as at July 31, 2018 was $393,444 compared to $393,013 as at April 30, 2018, a marginal change.

Current assets of the Company as at July 31, 2018 were $535,236 compared to $489,189 as at April 30, 2018, an increase related to accrued proceeds receivable on the disposition of the Pickle Lake property to Ardiden Ltd. during the current period.

Total assets as at July 31, 2018 were $995,713 compared to $1,010,449 as at April 30, 2018.

Current liabilities as at July 31, 2018 were $56,071 compared to $49,995 at April 30, 2018, a change related to the timing of expenditures at or around the year end.

Shareholders' equity decreased to $939,642 from $960,454 during the three month period ended July 31, 2018 as a result of the net loss incurred during the period net of the share capital increase from the exercise of warrants.

Results of Operations

Total operating costs and expenses for the three month period ended July 31, 2018 were $37,952 (July 31, 2017 – $11,260), a change due largely to increased promotional and consulting activity in the current period.

Expenses incurred during the three month period ended July 31, 2018 and 2017 consist of:

	July 31, 2018 $	July 31, 2017 $
Advertising and promotion	17,501	264
Bank charges and interest	265	88
Consulting	8,000	370
General exploration	-	2,798
Insurance	2,866	2,711
Legal and accounting	3,625	3,055
Salaries and benefits	1,682	-
Office and miscellaneous	3,128	850
Trust and filing fees	885	1,124

The cumulative deficit from inception of the Company is $1,348,757 (April 30, 2017 - $1,247,521).

Cash flows

Cash of $37,904 was used in operating activities during the three month period ended July 31, 2018 (July 31, 2017 - $41,447 cash from operations), the change related to a general and administrative expense increase during the current year that impacted cash flows used in operating activities as well as the large swing in accounts receivable.

Cash of $51,450 was used in investing activities (July 31, 2018 - $41,920) during the three month period ended July 31, 2018, a marginal change.

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Cash provided from financing activities was $89,785 for the three month period ended July 31, 2018 (July 31, 2017 – $37,213) as a result of warrant exercises in the current period in excess or private placements and warrant exercises completed during the previous year's comparative period.

During the three month period ended July 31, 2018, nil shares were issued valued at $nil pursuant to mineral property options in versus 100,000 shares issued in the previous year's comparative period valued at $4,000 related to the Vanguard West property .

Summary of Quarterly Results

The Company had a net loss of $101,236 for the three month period ended July 31, 2018 (July 31, 2017 - $4,838). The following table contains the results from the eight most recently completed quarters:

	First Quarter Ended July 31, 2018 $	**Fourth Quarter Ended April 30, 2018 $**	**Third Quarter Ended January 31, 2018 $**	**Second Quarter Ended October 31, 2017 $**	**First Quarter Ended July 31, 2017 $**	**Fourth Quarter Ended April 30, 2017 $**	**Third Quarter Ended January 31, 2017 $**	**Second Quarter Ended October 31, 2016 $**
Expenses	37,952	70,725	46,451	80,374	11,260	30,058	8,332	28,695
Net income (loss) for the period	(101,236)	(42,022)	(32,542)	(70,008)	(4,838)	(708,855)	(8,332)	(23,720)
Comprehensive income (loss) for the period	(110,597)	(54,572)	(10,259)	(88,226)	(4,338)	(710,907)	(7,582)	(34,720)
Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.03)	(0.00)	(0.00)

As the Company is still in the exploration stage, variances in its quarterly losses are not affected by sales or production-related factors. Year over year expense variances are generally attributed to successful financing activities, or the lack thereof, which result in the Company being able to conduct more (or less) exploration, which results in additional (or fewer) overhead expenditures.

Selected Annual Financial Information

All currency amounts are stated in Canadian dollars.

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with International Financial Reporting Standards and related notes.

Year Ended April 30,	**2018 $**	**2017 $**	**2016 $**
Gain on disposition of exploration and evaluation assets	2,700	-	223,197
Net income (loss) for the year	(149,410)	(757,602)	79,280
Loss per share – basic and diluted	-	(0.03)	-
Total assets	1,010,449	873,624	789,836
Long-term liabilities	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

Net income from the 2016 year was as a result of the disposition of exploration and evaluation assets. The Company's loss from continuing operations in the current and 2017 fiscal years resulted from general administration expenses and exploration costs on mineral properties.

Liquidity and Capital Resources

As of July 31, 2018, the Company had $178,569 in cash (April 30, 2018 - $91,948) as well as $214,875 in cash restricted for flow-through purposes and as credit card collateral (April 30, 2018- $301,065) with the requirement to expend $199,875 of this amount on eligible Canadian exploration expenditures by December 31, 2018. Amounts receivable were $60,394 (April 30, 2018 - $12,970). Marketable securities were $37,040 (April 30, 2018 - $46,401). Refundable security deposits on hand with the Government of Newfoundland were $32,900 (April 30, 2018 – $32,700).

Accounts payable and accrued liabilities were $47,210 at July 31, 2018 (April 30, 2018 - $27,187) includes accruals for expenditures on mineral properties, legal and audit fees, consultants and other amounts. These were incurred in the normal course of business.

Working capital inclusive of cash restricted for flow-through purposes at July 31, 2018 was $479,165 (April 30, 2018 - $439,194).

At this time the Company does not own or operate any revenue producing mineral properties, and accordingly, does not have cash flow from operations. The Company raises funds for exploration, development and general overhead and other expenses through the issuance of shares from treasury. This method has been the principal source of funding for the Company since inception.

The Company also funds exploration at certain of its other properties through option agreements with other companies who have agreed to fund exploration in exchange for the right to earn an interest in the properties.

In addition to the funds in the Company's treasury, the Company intends to continue raising funds for future exploration and general overhead and other working capital through the continuation of issuances of shares from treasury and through earn-in or option agreements with other mineral exploration and mining companies.

The Company funds its project expenditures by raising equity financing. If in the event that future private placement financing cannot be completed, the Company would have to review its budgeted project expenditures and revise where necessary including reviewing property option agreements to determine if continuation in such agreements on their anniversary dates is feasible. Management continues to seek out capital required to undertake its exploration work commitments and for working capital to meet project work commitments.

Exploration and Evaluation assets

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned or if substantive expenditure on further exploration and evaluation is neither budgeted nor planned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production or written-down if the properties are allowed to lapse, are impaired or are abandoned or if substantive expenditure on further exploration and evaluation is neither budgeted nor planned.

The deferred costs associated with each property for the year ended April 30, 2018 and year ended April 30, 2017 are as follows:

For the three months ended July 31, 2018

		Shebandowan (a)	Pickle Lake (b)	Gunners Cove (c)	Other (d)	Total
April 30, 2017 - Acquisition Costs	$	28,836	-	23,560	8,384	60,780
Additions		-	-	60	-	60
Recoveries		-	-	-	-	-
Subtotal	$	-	-	60	-	60
July 31, 2018- Acquisition Costs	$	**28,836**	**-**	**23,620**	**8,384**	**60,840**
April 30, 2018 - Exploration and Evaluation Expenditures	$	139,444	162,033	112,607	46,396	460,480
Assaying		-	-	10,395	-	10,395
Prospecting		-	-	61,054	2,030	63,084
Geology		935	-	13,792	315	15,042
Geophysics		-	-	5,049	4,588	9,637
Trenching		75	-	2,957	-	3,032
Drilling		-	-	-	-	-
Miscellaneous		-	-	-	-	-
Recoveries/Disposals		-	(162,033)	-	-	(162,033)
Subtotal	$	1,010	(162,033)	93,247	6,933	(60,843)
July 31, 2018 - Exploration and Evaluation Expenditures	$	**140,454**	**-**	**205,854**	**53,329**	**399,637**
July 31, 2018 - Total	$	**169,290**	**-**	**229,474**	**61,713**	**460,477**

For the year ended April 30, 2018

		Shebandowan (a)	Pickle Lake (b)	Gunners Cove (c)	Other (d)	Total
April 30, 2017 - Acquisition Costs	$	24,775	76,250	-	-	101,025
Additions		4,061	15,000	23,560	8,384	51,005
Writedowns/Recoveries		-	(91,250)	-	-	(91,250)
Subtotal	$	4,061	(76,250)	23,560	8,384	(40,245)
April 30, 2018- Acquisition Costs	$	**28,836**	**-**	**23,560**	**8,384**	**60,780**
April 30, 2017 - Exploration and Evaluation Expenditures	$	39,539	201,250	-	-	240,789
Assaying		34,269	-	7,125	2,685	44,079
Prospecting		37,324	-	27,912	10,076	75,312
Geology		6,062	1,005	20,591	2,368	30,026
Geophysics		6,614	-	56,979	30,882	94,475
Trenching		15,267	-	-	250	15,517
Drilling		369	-	-	135	504
Miscellaneous		-	2,715	-	-	2,715
Writedowns/Recoveries		-	(42,937)	-	-	(42,937)
Subtotal	$	99,905	(39,217)	112,607	46,396	219,691
April 30, 2018 - Exploration and Evaluation Expenditures	$	**139,444**	**162,033**	**112,607**	**46,396**	**460,480**
April 30, 2018 - Total	$	**168,280**	**162,033**	**136,167**	**54,780**	**521,260**

a) Shebandowan Properties, Ontario

The Shebandowan property consists of the Company's 100% owned Vanguard property as well as the recently acquired and contiguous claim group known as the Shebandowan Gold Project ("Shebandowan").

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The Vanguard property consists of 99 boundary and single cell mining claims totalling 2,107 hectares located in the in the Burchell Lake, Greenwater Lake and Kashabowie Lake areas in the Thunder Bay Mining District, northwestern Ontario, approximately 100 kilometres west of the City of Thunder Bay, Ontario.

In December 2016, the Company executed an option agreement with Benton Resources Inc. ("Benton") (a company related by common director Michael Stares) to acquire Shebandowan from Benton which consists of 125 boundary and single cell mining claims totalling 2,661 hectares and adjoins the Vanguard claims to the south and east. in the Burchell Lake, Greenwater Lake and Kashabowie Lake areas. The Company will have the option to earn a 100% interest in the Shebandowan property under the following terms:

- Paying Benton $15,000 cash and issuing 200,000 shares of the Company on signing, acceptance and approval by the TSX Venture Exchange (paid and issued);
- Benton will retain a 2% Net Smelter Return Royalty ("NSR") on the Shebandowan property with the Company having the option to buy-back 1% for $1 million;
- The Company agrees to keep all claims in good standing and should the Company elect to drop any claims contained within the option agreement, they will do so with at least six months of assessment credit; and
- Paying Benton $500,000 in cash, shares or a combination of cash and shares at the Company's election upon completion of a National Instrument 43-101 ("NI 43-101") compliant mineral resource on any claims contained within the option agreement.

Highlights – Vanguard

Previous drilling on the property was designed to target historical drilling over the Vanguard East zone, known to host Cu-Zn-Au-Ag VMS-style mineralization. The mineralization is interpreted to be steeply dipping and drilling programs will target the down-dip extension of the deposit below historical drilling to confirm both mineral tenor and extend the known mineralization to depth. Historically, Noranda Inc. reported a historic non-compliant NI 43-101 mineral resource, stating the Vanguard West zone hosts 200,000 tonnes of 1.3% Cu, 1-2% Zn, 8.26 g/t Ag, 4-6 g/t Au, and the East zone hosts 100,000 tonnes of 1.8% Cu, 3-6% Zn 6.8 g/t Ag, 4-6 g/t Au. To the southwest, adjacent to the Vanguard property, are the former producing North Coldstream Copper-Silver-Gold Mine (1960’s historic production of 102 million lbs of copper, 440,000 ounces of silver, and 22,000 ounces of gold produced from 2.7 million tons of ore, OGS Mineral Deposit Inventory, 2000), and the Osmani Gold Deposit (formerly the East Coldstream Deposit) containing an indicated NI 43-101 mineral resource of 3.5Mt Au at an average grade of 0.85 g/t Au, and an Inferred mineral resource of 30.5Mt with an average grade of 0.78 g/t Au (Foundation Resources Inc. NI 43-101 Technical Report, 2011).

Drilling in 2002 by Trillium North Minerals Ltd. (“Trillium”) extended the Vanguard East Zone with two holes VE02-1 and VE02-2. The average grade of the 9.75 metre massive sulphide phase of hole VE02-1 was 1.26 g/t Au, 13 g/t Ag, 2.03% Cu and 2.13% Zn. The average grade of the 6.6 metre massive sulphide phase of hole VE02-2 was 2.14 g/t Au, 43.4 g/t Ag, 2.73% Cu and 3.49% Zn (see Trillium News Release, January 14, 2003). In 2004, hole VE04-5 was drilled to intersect the zone previously intersected in hole VE02-1 and 2. Hole VE04-5 reported 4.15 metres of 6.39% Zn and 1.89% Cu with 28.31 g/t Ag and 0.88 g/t Au in massive sulphides. Hole VE04-3, located 50 feet (15 metres) west of VE02-2 and down plunge, intersected up to 2.0% Cu, 14.8 g/t Ag and 0.58 g/t Au and a wide silica zone, which is part of the regional chert horizon that marks the occurrence of VMS mineralization (see Trillium News Release, August 31, 2004).

The historical values mentioned previously are non-compliant with NI 43-101 standards for disclosure and have been reviewed but not verified, unless otherwise stated.

Highlights - Shebandowan

During the year ended April 30, 2017, the Company announced that they had commenced work on the Shebandowan property. The work program consisted of soil sampling over the old gold occurrences to expand known areas and also explore for new targets. As a result of the prospecting and soil sampling program a number of new targets were identified. In July/August 2017 trenching was preformed over all the areas of interest but the results from the trenching program proved negative and the sources of the gold in the soil geochem have yet to be sourced. The Shebandowan property is located approximately 20 kilometres east of the past producing Coldstream Mine which in the 1960’s produced 102 million pounds of copper, 440,000 ounces of silver, and 22,000 ounces of Au (Canadian Mines Handbook, 1968-69, p.251). Also, to the west of the Shebandowan property is the Moss Lake gold mine which has reported mineral resources containing 3.13 million ounces of gold (NI 43-101 Technical Report and Mineral Resource Estimate – Moss Lake Deposit, May 2013, Wesdome Gold Mines Ltd.). In 2011, Benton completed a diamond drilling program on the Shebandowan property to test various rock and soil geochemistry and geophysical induced polarization (IP) anomalies for gold. The best results from the diamond drilling program were 19.5 g/t Au over 0.80 metres in hole SH-11-003 and numerous intersections of 1 to 2 g/t Au over narrow intervals in SH-11-007 (see Benton News Release, June 7, 2011).

The Shebandowan property borders the Company’s 100%-owned Vanguard property which hosts two historical mineral resources which are non-compliant with NI 43-101 disclosure.

The Company also plans to commence work on the southern portion of the Shebandowan property which is along strike approximately 10 kilometres west of the Shebandowan nickel-copper mine. This mine was in production from 1972 to 1998 and produced 8.34 million tons at 2.0% Ni, 1.2% Cu, and 3.96 g/t Pt+Pd+Au (MNDM MDI52B09SE00003, June 12, 2007). This southern portion of the Shebandowan property is host to various copper, gold and silver occurrences such as Copper Island. The Copper Island trend is identified by an alteration zone that has been traced by geophysics for roughly 1.8 kilometres (MNDM Assessment File 53B09NW069). Of importance is an 800 metre-long untested airborne electromagnetic conductor (EM) located along trend from the Copper Island Occurrence. Benton’s 2011 diamond drilling program (hole SH-11-001) intersected units of gabbro, diorite, and a 0.26 metre interval described as black mafic intrusion with 50% sulphides. Assay results from this section returned 0.4% Cu, 0.11% Ni, 0.09% Co, and 228 g/t Au over 0.26 metres. A prospecting survey was conducted over this area in June/July 2017 with negative results from the limited rock samples that were collected. It should be noted that good portion of this ground is covered by overburden which hampered prospecting. It is recommended that ground geophysics be conducted over the areas of existing airborne electromagnetic anomalies to better determine drill targets.

In June 2017, the Company announced that it received results from 1,166 soil geochemical samples. Gold in soil values ranged from <5 ppb up to 225 ppb. The results indicate anomalous gold in soil extending approximately 900 metres from the Irish Lake gold zone in a north easterly direction (Iris Lake "A"). A sub-parallel anomalous zone (Iris Lake "B") extends 800 metres in a south westerly direction from the known gold mineralization. Two new sub-parallel gold anomalies (Vanguard "A" and "B") extend south west from the Vanguard VMS-Au deposits over a strike length of approximately 900 to 1200 metres. A 750 metre soil anomaly (Central) in the south-central part of the property was prospected with negative results from the rock samples that were collected in the area. The source of the gold in the soil geochemistry has yet to be determined.

Also in June 2017, the Company announced that it commenced a trenching program at the property. The trenching program was designed to test three high priority gold in soil geochemical targets. The first area is the newly discovered TMR zone which is described as a granodiorite with extensive silicification and quartz carbonate alteration with up to 5% pyrite and traces of chalcopyrite. The zone appears to have an east-west strike and is covered by sand and till to the west and variable amounts of overburden to the east. Soil geochemical values in the area range from <5 ppb up to 78 ppb Au. Rock samples taken from outcrops in the area range from <5 ppb to 620 ppb Au. The second area, the Iris Lake trend referenced above, is described as being under thin overburden cover where trenching would be an effective tool in examining the bedrock as a possible source for the anomalous gold values in the soil samples. The third area is named the Vanguard West trend and has yielded soil geochemical results from <5 ppb up to 152 ppb Au. This area is also described as being covered by variable amounts of overburden which the company hopes will allow for trenching and be effective in explaining the source of the gold in the anomalous soil geochemical samples.

In August 2017, the Company received results from two samples taken on the Copper Island trenches on the Shebandowan Property. The selective grab samples collected from the mineralized zone returned assays up to 8.71% Cu, 4.09 g/t Au, and 8.71 g/t Ag in the first sample, and 5.79% Cu, 1.11 g/t Au, and 5.79 g/t Ag in the second sample. Future work on the Copper Island trend will include deep penetrating electromagnetic (EM) geophysical techniques to determine if there are conductive responses located below previous shallow penetrating geophysical surveys conducted during historical work efforts.

The Company also reported that it had received the assay results from the Shebandowan trenching program and no significant assay results were obtained.

b) Pickle Lake Properties, Ontario

The Pickle Lake properties consist of four claims packages in the Pickle Lake area, Ontario:

- Dorothy-Dobie Lake Property
- Kasagiminnis Lake Property
- South Limb Property
- Pickle Lake West Property

Dorothy-Dobie Lake Property

The Dorothy-Dobie Lake property consists of two separate option agreements and claim groups which are more fully described below.

On July 4, 2016, the Company secured an Option Agreement (the "Murchison Option") with its Joint Venture Partner, Murchison Minerals (CSE:MUR) ("Murchison"), formerly Manicouagan Minerals Inc., to acquire Murchison's joint venture interest in certain mining claims located in the Pickle Lake area of northwestern Ontario. The Murchison Option requires the Company to pay Murchison $45,000 ($10,000 paid) over the first two years of the three year option period and expend $1,200,000 over three years (work commitment) to acquire Murchison's 51% ownership of the

Pickle Lake Claims (the “claims”). Once the option is completed, Murchison would retain a 1% NSR, of which one-half could be bought by the Company for $2,500,000, with the second 50% purchasable for $1,500,000. Included in the Murchison Option are certain claims held 100% by Murchison and also all claims that were included in the Joint Venture Agreement with the Company.

The Company secured a second Option Agreement (the “Kukkee Option”) for certain mining claims located in the Pickle Lake area of northwestern, Ontario. The Kukkee Option requires the Company to issue to the vendor 1,500,000 common shares over the four-year option period (200,000 common shares were issued on July 11, 2016 and 250,000 common shares were issued on April 25, 2017), and also make cash payments to the vendor that total $110,000 ($15,000 paid) over the first three years of the four-year option period. The property of the Kukkee Option is subject to a 2% NSR of which 1% can be bought out at any time by the Company for $1,000,000. Annual advance royalty payments of $50,000 cash are due and payable to the Optionor commencing April 15, 2026 and will continue until commencement of commercial-scale production.

Highlights – Dorothy-Dobie Lake

The Claims included in the Murchison Option are those held 100% by Murchison and also any claims that were included in the Joint Venture Agreement. Included in the Murchison Option is the Kasagiminnis Lake Property which hosts a historical mineral resource (non-compliant with NI 43-101) of 390,000 ounces of gold and the Dobie Lake Property, located west of the Kasagiminnis Lake Property and directly along strike of the Golden Patricia Mine which was operated by Bond Gold between 1988 and 1997 and produced some 619,796 ounces of gold at a grade of 15.21 g/t Au.

The Kukkee Option property is along strike from the claims currently held by the Company and hosts the Dobie deposit which has an historical mineral resource (non-compliant with NI 43-101) of 46,000 ounces of gold. This zone is open to the west and east is located along the Pickle Lake Deformation Zone. Drilling on the Kukkee Option by Manicouagan in 2009 intersected a mineralized gold zone on the western end of the Dobie gold deposit. All three diamond drill holes were successful in identifying a **potential bulk tonnage** gold exploration target at the Dobie Zone.

Diamond drill holes DOB-09-10, 11, 13 and 14 encountered broad zones of gold mineralization:

- DOB-09-10: 20.0m @ 1.52 g/t Au including 2.7m @ 5.65 g/t Au.
- DOB-09-11: 31.5m @ 1.39 g/t Au including 1.5m @ 6.48 g/t Au.
- DOB-09-13: 33.2m @ 1.04 g/t Au including 1.0m @ 6.27 g/t Au and 2.0m @ 4.34 g/t Au.
- DOB-09-14: 27.9m @ 1.53 g/t Au including 2.0m @ 5.64 g/t Au.

The Dobie Zone is characterized by strong carbonate-silica alteration hosted within mafic volcanic rocks. To date, the gold bearing zone of mineralization has been traced by Manicouagan for approximately 180 metres along strike and to a depth of 100 metres. It remains open at depth and to the northwest (Stockwatch News Release, 2009). The Dobie Zone also lies within 140 meters of the east claim boundary of the claims that were held by the Company and Joint venture partner Murchison of which the Company can earn 100% ownership. Also included in the Kukkee Option is the Northwest Extension Zone which lies approximately 4.5 kilometres northeast of the Dobie gold deposit. The Northwest Extension Zone was drilled by Placer Dome (1988-1990) and reported intercepts that included 3.4 g/t Au over 6 metres. This zone is located along the same structural corridor as the Dobie deposit.

During the year ended April 30, 2017, the Company completed a four-hole, 455 metre diamond drilling program on the Dobie Zone. During the program, the Company reviewed the core from the previous drilling campaign conducted in 2009 by Manicouagan Minerals, it was noted that very fine arsenopyrite existed in core not sampled from drill hole DOB-09-14. This core was split and sent in for gold assay as part of this year’s efforts and resulted in extending the intersection to 1.32 g/t Au over 42.0 metres including 1.52 g/t Au over 33.5 metres compared to the previously announced 1.53 g/t Au over 27.9 metres (see Table 1 below). Hole DOB-16-17, drilled 20 metres to the west of DOB-12-14 intersected 1.51 g/t Au over 13.7 metres within a larger mineralized intercept of 0.74 g/t Au over 39.1 metres. Diamond drill hole DOB-16-18, a 50 metre step-out to the northwest from DOB-09-12, returned 2.08 g/t Au over 4.1 metres. Hole DOB-16-20 was drilled 50 metres to the east of DOB-12-14 and assayed 1.24 g/t Au over 20.6 metres including 2.05 g/t Au over 5.5 metres. Hole DOB-16-19, drilled on section and above DOB-16-18, intersected neither the Dobie Zone nor the altered volcanic zone ("AV") but did intersect the underlying iron formation suggesting it may be offset by faulting.

This diamond drilling program was successful in extending the known Dobie Zone by 50 metre along strike to the northwest and also testing a 100 metre void between drill holes DOB-09-10 and DOB-12-14. To date the Dobie Zone has been drill tested a total of 230 metres and continues to remain open along strike to the northwest and at depth where the mineralized horizon appears to be getting thicker.

Table 1:

Drill Hole		From (m)	To (m)	Int. (m)	Avg. (g/t Au)	Zone
DOB-09-14		58.5	100.5	42.0	1.32	Dobie
	includes	67.0	100.5	33.5	1.52	Dobie
DOB-16-17		25.0	33.5	8.5	0.48	AV
		42.5	83.1	40.6	0.72	Dobie
	includes	69.4	83.1	13.7	1.51	Dobie
DOB-16-18		20.4	43.7	23.3	0.23	AV
		79.1	83.2	4.1	2.08	Dobie
DOB-16-19		41.8	43.5	1.7	0.96	IF
DOB-16-20		69.7	79.2	9.5	0.35	AV
		88	108.6	20.6	1.24	Dobie
	includes	88	93.5	5.5	2.05	Dobie

Note: AV represents a mineralized altered volcanic zone with highly anomalous gold and IF is a gold-bearing iron formation

The Company also signed a Memorandum of Understanding ("MOU") with both Slate Falls and Cat Lake First Nations. The MOU ensures that the Company and both First Nation communities will work together to build a positive working relationship with respect to the Dorothy-Dobie gold project and other potential future projects in the area. The MOU will also ensure that the communities will benefit from economic growth should any economic mineral resources be discovered and developed.

Kasagiminnis Lake Property

The Kasagiminnis Lake property is located in northwestern Ontario approximately 25 kilometres southwest of the Town of Pickle Lake, and approximately 15 kilometres west of Mishkeegogamang First Nation Community of New Osnaburgh. The claim group consists of 49 single cell mining claims totalling 987 hectares that is situated in the Little Ochig Lake Area (map G.2114). It is located approximately 25 kilometres southwest of the past producing Dona Lake gold mine, south of Pickle Lake, Ontario.

Highlights – Kasagiminnis Lake

On April 16, 2009, Manicouagan entered into an agreement with Trillium pursuant to which Manicouagan can earn up to a 70% interest in the property by spending $1 million in aggregate on the properties and making certain underlying cash payments. To date, Manicouagan has earned a 51% interest in the Kasagiminnis, Dorothy-Dobie Lake properties leaving the Company with a 49% interest in the properties.

South Limb Property

The South Limb property consists of 89 boundary and single cell mining claims totalling 1,788 hectares and is located in the Dona Lake Area near Pickle Lake, Ontario.

Pickle Lake West Property

The Pickle Lake West property consists of 76 boundary and single cell mining claims totalling 1,525 hectares and is located in the Kapkichi Lake Area near Pickle Lake, Ontario.

On August 2, 2017 the Company announced that it signed a Letter of Intent ("LOI") with Ardiden Limited ("Ardiden"), a public company the shares of which trade on the Australian Securities Exchange (ASX:ADV). The LOI will allow Ardiden to acquire a 100% interest in all of the Company's Pickle Lake projects, inclusive of assuming the obligations of all existing underlying option agreements on these properties (collectively the "Project"). During the period ended July 31 2018, Ardiden elected to acquire a 100% interest in the Project and has now made the required aggregate cash payments of $140,000 and has issued 5,592,949 Ardiden shares as follows (all funds are in Canadian dollars):

- Ardiden shall pay the Company a non-refundable deposit of $70,000 (received) and 1,592,949 Ardiden shares (received) within 5 business days of executing the LOI;
- Ardiden will have the exclusive right to complete due diligence on the project for 12 months (to allow access to the site in the 2017 field season). After 6 months, Ardiden is required to make an additional payment of $20,000 (received) and to issue 1,000,000 Ardiden shares (received) to retain the exclusive due diligence right for the remaining 6 months;
- Upon completion of the 12 month due diligence period, Ardiden may elect to exercise the option to acquire the Project; and
- Should Ardiden elect to acquire the Project, Ardiden shall pay the Company a further $50,000 (received) and issue a further 3,000,000 Ardiden common shares (subsequently received).

The Company will maintain the right to purchase the existing 1% NSR held by Murchison Minerals Ltd. on the Murchison joint venture claims on the Dorothy-Dobie and Kasagiminnis properties pursuant to which 0.5% can be purchased for $1,000,000 and the second 0.5% can be purchased for $1,500,000. The original vendor of the Kasagiminnis property will retain a 2% NSR of which 1% can be purchased by Ardiden Ltd for $1,000,000 along with a Right of First Refusal ("ROFR") on the remaining 1%. With respect to the newly acquired claims located within the Dorothy-Dobie claim group, the "Kukkee Option" (see news release, July 4, 2016), the vendor retains a 2% NSR of which 1% can be purchased by Ardiden for $1,000,000 with Ardiden retaining a ROFR on the remaining 1% NSR from the original vendor. In addition, the Company will hold a 1% NSR on this same Kukkee Option claim group. The Company will retain a 2% NSR on the 100%-owned West Pickle and South Limb properties of which 1% can be purchased by Ardiden for $1,000,000. Ardiden will have a ROFR on the remaining 1% NSR.

c) Gunners Cove

During the year ended April 30, 2018, the Company signed a Letter of Intent to earn 100% of the Gunners Cove property located approximately 20 kilometres north of St. Anthony, Newfoundland and Labrador and consisting of 658 claim units (16,400 ha or 164 square-kilometres). Under the terms of the LOI, the Company has the right to acquire a 100% interest from the vendor over a three-year period under the following terms:

- Total cash payments of $55,000:
  - Signing $5,000 (paid)
  - 1st Anniversary $10,000
  - 2nd Anniversary $20,000
  - 3rd Anniversary $20,000

- Total payment of 1,000,000 common shares:
  - Signing 250,000 (issued)
  - 1st Anniversary 250,000
  - 2nd Anniversary 250,000
  - 3rd Anniversary 250,000

Should the Company outline NI 43-101 compliant mineral resources totalling greater than 500,000 ounces of gold, the Company agrees to pay the vendor an additional 1,000,000 WHM common shares. In addition, the vendor retain a 2% Net Smelter Return Royalty of which 1% can be bought back for $1,000,000; the Company will have the ROFR on the remaining 1% NSR.

Highlights – Gunners Cove

The Gunners Cove Property is a new precious metals discovery with no previous work completed other than selective grab samples collected during limited prospecting programs. Precious and base metal mineralization is associated with pyrite-rich accumulations/nodules in variably sheared graphitic argillaceous black shale. Selective grab rock samples collected by the property vendor and submitted to the laboratory by the Company, returned values as high as 5.86 g/t Au, 8.0 g/t Ag, 0.13% Cu, and 375 ppm (375 g/t) Mo. Initial follow-up sampling by the Company yielded results of 10 ppb to 1480 ppb Au from 33 selective grab rock samples collected over an area measuring approximately 800 metres long by 350 metres wide.

During October 2017, the Company completed an extensive prospecting program on the property to follow up on previous results and to explore for new areas of interest within the claim group collecting a total of 156 grab rock samples. Of the 156 grab rock samples, 99 were collected from the main area of the black shale unit. On the basis of the results from the 99 samples, the Company had expanded the gold mineralization to the north by approximately 3.75 kilometres, to the east-northeast by approximately 3.2 kilometres, and to the south by about 1.3 kilometres. Approximately 50% of the grab samples collected in the Gunners Cove area assayed 100 ppb Au (0.1 g/t Au) or greater, with a maximum of 2.14 g/t Au. Silver assay results are also elevated, ranging from less than 5 ppb Ag to a maximum of 9.1 g/t Ag (note: grab samples are selective by nature and are unlikely to be representative of average grades). The Company's recent work at the Gunners Cove Property has highlighted a large area of anomalous gold concentrations and extended the discovery area substantially. Precious metal mineralization is associated with and appears to be largely hosted by pyritic nodules and stringers accompanied by minor silicification and local brecciation, and hosted by an extensive black shale unit.

Although there is still much to learn about the geological environment of the Property, there are some global examples of significant gold projects hosted or associated with nodular pyrite-bearing black shale units, which may have some similarities to the Property. Anomalous gold in nodular pyrite hosted by black shale occur in association with the Kalgoorlie Goldfields gold deposits, Australia, where some 50 million ounces of gold have been mined to date (reference: http://ecite.utas.edu.au/100591).

The Sukhoi Log gold deposit, Russia, hosted by a black shale horizon that covers more than 15 square kilometres, contains 384 million tonnes at an average grade of 2.5 to 2.7 g/t Au, with additional lower grade resources of 165Mt at 2.0-2.3 g/t Au, and a further 205Mt at 0.8 g/t Au in the mineralization envelope (reference: www.smedg.org.au/apr03BryceWood.pdf). The main deposit is located within a fold nose in the black shales which displays various stages of alteration and pyrite mineralization that includes gold-rich pyrite nodules.

Another example of black shale hosted gold mineralization is the Morro do Ouro/Paracatu gold deposit located in Brazil and operated by Rio Tinto as an open pit mine from 1987 to 1999 (now owned by Kinross Gold). It produced about 50 tonnes of gold (1.46M troy ounces gold) and accounted for about 9% of Brazil's total gold production from 1982 to 1999. The combined Proven and Probable Reserves as of 2013 were estimated to be 763 million tonnes grading 0.42 g/t Au. The Measured and Indicated Resources were estimated to be 540 million tonnes grading 0.36 g/t Au (reference: www.mining-technology.com/projects/paracatu-mine/).

During the year ended April 30, 2018, the Company received its permit from the Government of Newfoundland to conduct an airborne geophysical survey, to include heliborne time-domain electromagnetics and magnetics. The survey was completed in April 2018 and identified numerous high priority targets over the 13.5km (N-S) by up to 7.0km (E-W) property. Many magnetic highs are coincident with EM conductors including some at or near the known gold zones but many lie outside of the main discovery areas. The Company followed up the survey with a prospecting and mapping program in May/June 2018 designed to follow up on existing gold occurrences outlined in September 2017, and ground-truthing of numerous targets outlined in the airborne survey, including those at or near existing gold occurrences. During the program, new prospecting and sampling was completed over the Northern and Southern areas of the Property and several new prospective zones were identified.

The new zones are described as being hosted by or associated with a melange (large-scale brecciated sedimentary rocks) and, in some cases mineralization has been traced across strike up to 1 km. Grab samples taken from two (2) of the new zones are described by the prospecting team as having semi-massive to massive sulfides with pyrite and pyrrhotite, and trace chalcopyrite. Mineralization observed in the other new zones includes pyrite occurring as cubes, nodules, and stingers. A total of 269 grab rock samples were sent by Eastern Analytical laboratory in Springdale, Newfoundland for gold, base metal and multi-element analyses. The Company was very encouraged by the results received and has identified five (5) new gold occurrences. The new occurrences, named the Bazooka Zone, the Stephens Zone, the Glock Zone, the Thompson Zone, and the Weatherby Zone, are all located within 7 kilometres of the original East Gunner and West Gunner zones, now referred to as the discovery pit".

Of significance, is the newly discovered Bazooka Zone, sampled across the interpreted strike for approximately one kilometre, and with assay results ranging from <5 ppb and up to 2194 ppb Au (2.194 g/t Au). The Bazooka Zone is described as graphitic horizon with greenschist alteration. Observations by the field crew confirm that there is consistent pyrite in forms of stringers, nodules and cubes across the entire width of the new zone. The Stephens Zone and the Glock Zone are described as pyrite nodules and cubes hosted in a black shale unit. Grab samples taken from these zones range from <5 ppb and up to 4552 ppb Au (4.552 g/t Au). The Thompson Zone is located in the southeast part of Quirpon Island which lies approximately 3.6 kilometres to the northeast of the original Gunners Cove "discovery pit". Grab samples from the new Thompson Zone, hosted in a black shale unit with pyrite nodules and cubic pyrite, returned assays ranging from <5 ppb and up to 3087 ppb Au (3.087 g/t Au). The Company is very pleased with the results and has now expanded the gold mineralization some 3.6 kilometres to the north of the original Gunners Cove "discovery pit" and 8.46 kilometres to the south-southeast, for a total strike length of approximately 12.68 kilometres.

In July 2018, the Company returned to the project and discovered a new gold occurrence named the "Totem Zone", located about 12 kilometres south of the original Gunners Cove "discovery pit" , and collected 15 grab rock samples from the area. These samples are described as sheared black shale and polymictic breccia with up to 10% pyrite in the form of nodules, cubes and stringers. The 15 grab rock samples returned assays from below detection (<5 ppb) to 820 ppb Au and averaged 221 ppb Au.

In August 2018, the Company initiated an aggressive channel sampling program on four priority targets at the project and mobilized a crew to complete the work. The program is planned to take approximately 3 to 4 weeks to complete. The purpose of the channel sampling is to determine the gold zones of highest potential and to help guide the expected comprehensive drilling program planned to follow the surface program.

d) Other Properties

The Company also retains certain other early stage mineral property interests. Noteworthy transactions in "Other" properties include the following below:

Far Lake Property

During the period ended January 31, 2018, the Company acquired by staking a 100% interest in the Far Lake property located approximately 80 kilometres north west of Thunder Bay, Ontario. The property consists of 84 single cell mining claims totalling 1,785 hectares.

In August 2017, the Company announced that it received assays from trench sampling on the Property. The copper showing was discovered while prospecting a series of new logging roads and has now been traced and channel sampled along a 300 metres strike length. The best channel sample composite across the copper-rich zone returned 3.54% Cu over 3.0 metres which included the highest individual sample of 4.96% Cu over 1.0 metre. The mineralization is associated with a north-south trending structure within a silicified monzonite intrusive body. A total of 12 channel samples between 0.5 and 1.0 metre in length were collected from five trenched / exposed outcrops. The Company is planning ground geophysical surveys of induced polarization (IP) and magnetics to help identify additional targets along and perpendicular to the current strike direction. Further trenching and sampling will be utilized as follow-up on any intriguing anomalies.

Off-Balance Sheet Arrangements

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

Contractual Obligations

The Company has commitments as described in note 5 of the July 31, 2018 condensed consolidated interim financial statements with respect to certain agreements on its mineral property interests. In addition, the Company is obligated to expend $199,875 on qualified Canadian exploration expenditures related to flow-through shares issued by December 31, 2018.

Related Party Transactions

Key management personnel compensation:

	July 31, 2018	July 31, 2017
	$	$
Salaries and benefits	16,000	
Accounting, consulting, property contracting services and office rent	28,450	51,005
Total key management personnel compensation	44,450	51,005

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties, and accordingly that they are measured at fair value.

During the period ended July 31, 2018, Michael Stares, former President of the Company, earned $16,000 in salary (July 31, 2017 – $nil) for property contracting and administrative services. At July 31, 2018 the Company owed Michael Stares $1,732 (July 31, 2017 - $nil).

During the period ended July 31, 2018, Benton Resources Inc. ("Benton"), a company Michael Stares is a director and former employee of, billed $3,000 (July 31, 2017 - $29,980) to the Company for property contracting, administrative services and office rent. At July 31, 2018, the Company owed Benton $1,130 (July 31, 2017 - $37,155).

During the period ended July 31, 2018, Stares Prospecting Ltd., a company controlled by Company director Alex Stares, billed $11,450 (July 31, 2017 - $21,025) to the Company for property contracting services. At July 31, 2018, the Company owed Stares Prospecting Ltd. $nil (July 31, 2017 - $2,606).

During the period ended July 31, 2018, Scott Jobin-Bevans, a Company director and VP Exploration, billed $6,000 (July 31, 2017 - $nil) for property contracting services. At July 31, 2018, the Company owed Scott Jobin-Bevans $nil (July 31, 2017 - $nil).

During the period ended July 31, 2018, Jean-Pierre Colin, President and CEO of the Company billed $8,000 (July 31, 2017 – $nil) for consulting services rendered. At July 31, 2018, the Company owed Jean-Pierre Colin $nil (July 31, 2017 - $nil).

Subsequent Event

The following event occurred subsequent to the three month period ended July 31, 2018 that warrant disclosure:

- The Company announced two proposed non-brokered private placements of up to a combined maximum of $500,000 to finance exploration at Gunners Cove and for working capital purposes. The offerings will consist of up to a combined maximum of 3,333,333 units of both flow-through ("FTU") and non-flow-through ("NFTU"), both units at a price of $0.15. Each FTU will consist of one common share and one-half of one share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at 25 cents for two years from closing of the private placement. Each NFTU will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase an additional common share at 25 cents for two years from the closing of the private placement.

Finder's fees may be payable on all or a portion of the private placements and will consist of 7-per-cent cash and 7-per-cent broker's warrants, where applicable. In respect of NFTUs, the broker warrant will be exercisable for 15 cents for a unit consisting of one common share and one share purchase warrant exercisable at 25 cents for a period of two years from closing. In respect of FTUs, the broker warrant will be exercisable for 15 cents for a unit consisting of one common share of the company and one-half of one share purchase warrant, each such whole warrant being exercisable at 25 cents for a period of two years from closing.

Current and Future Changes in Accounting Policy Including Initial Adoption of International Financial Reporting Standards ("IFRS")

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives for the three month period ended July 31, 2018, have been prepared using accounting policies in compliance with IFRS as issued by the International Accounting Standards Board ("IASB").

Risk Management

The Company's financial instruments are comprised of cash and cash equivalents, receivables, investments and accounts payable and accrued liabilities.

The Company's financial instruments are exposed to certain risks, including credit risk, liquidity risk, interest rate risk and market risk.

Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of offset exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

i. *Trade credit risk*
The Company is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior period.

ii. *Cash and cash equivalents*
In order to manage credit and liquidity risk the Company's cash and short term investments are held through large Canadian Financial Institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities.

Accounts payable and accrued liabilities are due within the current operating period.

Interest Rate Risk

The Company's interest revenue earned on cash and or short-term investments is exposed to interest rate risk. The Company does not enter into derivative contracts to manage this risk. The Company's exposure to interest rate risk is very low as the Company's short term investments are either fully liquid or bear short staggered maturity dates to mitigate the risk of fluctuating interest rates.

The Company limits its exposure to interest rate risk as it invests only in short-term investments at major Canadian Financial Institutions.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices.

Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenues:

As of July 31, 2018, the Company has incurred and capitalized $460,477 (April 30, 2018 - $521,260) as exploration and evaluation assets since inception of the Company, net of write-downs, recoveries and dispositions.

Outstanding Share Data

At the date of this management's discussion and analysis, there are 40,679,640 common shares outstanding as well as: (a) stock options to purchase an aggregate of 2,980,000 common shares expiring between August 27, 2019 and February 2023 and exercisable at $0.10 per share; and (b) share purchase warrants to purchase an aggregate of 5,506,832 common shares expiring between April 25, 2019 and December 28, 2019, exercisable at $0.10 to $0.25. For additional details of share data, please refer to Note 6 of the July 31, 2018 condensed consolidated interim statements.

The Company is authorized to issue an unlimited number of voting shares and an unlimited number of preferred shares issuable in series.

Dividend Policy

No dividends have been paid on any shares of the Company since the date of incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Legal Proceedings

To the knowledge of the Company, there are no actual or pending legal proceedings to which the Company is or is likely to be a party or of which any of its assets are likely to be subject.

Indebtedness of Directors, Officers, Promoters and Others

No director, officer, or promoter or other member of management of the Company, or any Associate or Affiliate of any such person, is or has been indebted to the Company.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Company will be subject in connection with the operations of the Company. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situation may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the British Columbia Business Corporations Act.

Risk Factors

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Applicant will result in a profitable commercial mining operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Applicant not receiving an adequate return on invested capital.
Mining operations generally involve a high degree of risk. The Applicant’s operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Applicant’s mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Applicant as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Applicant will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Applicant are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Although the Applicant’s exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Applicant.

Permits and Licenses

The exploitation and development of mineral properties may require the Applicant to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Applicant will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Applicant's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, 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 is no assurance that future changes in environmental regulation, if any, will not adversely affect the Applicant's operations. Environmental hazards may exist on the properties on which the Applicant holds interests which are unknown to the Applicant at present, which have been caused, by previous or existing owners or operators of the properties. The Applicant may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability.

Government approvals and permits are currently, and may in the future be, required in connection with the Applicant's operations. To the extent such approvals are required and not obtained; the Applicant may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.
Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Applicant and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.
Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Applicant may become subject to liability for hazards that cannot be insured against.

Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Applicant will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

Uninsured Risks

The Applicant carries insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Applicant also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Applicant will be made in accordance with their duties and obligations to deal fairly and in good faith with the Applicant and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Land Title

Although the Applicant has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Applicant's operations.

Aboriginal Land Claims

No assurance can be given that aboriginal land claims will not be asserted in the future in which event the Company's operations and title to its properties may potentially be seriously adversely affected.

Auditors, Transfer Agents and Investor Relations

The auditors of the Company are DeVisser Gray LLP, Chartered Accountants of Vancouver, British Columbia.

The Transfer Agent and Registrar for the Common Shares of the Company is Computershare of Vancouver, British Columbia.

Investor relations duties are carried out by directors, officers, and employees of the Company.

Commitments and Contingencies

Except as otherwise discussed, the Company is in compliance with commitments required by contractual obligations in the normal course of business.

Forward Looking Statements

This management discussion and analysis contains certain forward-looking statements relating but not limited to the Company’s expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as “anticipate”, ”believe”, “expect”, “goal”, ”plan”, “intend”, “estimate”, “may”, and “will” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific that contributes to the possibility that the predictions, forecasts, projections, and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.