**EUREKA RESOURCES INC.**

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

For the nine months ended July 31, 2018

## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labour disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

**PRESIDENT'S MESSAGE**

To Our Shareholders,

On November 27, 2017, Eureka Resources Inc. ("Eureka" or "the Company") announced that it was conducting a review of strategic alternatives focused on maximizing shareholder value which included a review of the Company's capital structure, property portfolio and potential business combinations or joint ventures. As part of the strategic review, the Company completed an equity financing of $126,250 to enhance its financial position.

On February 24, 2018, Eureka signed an amalgamation agreement with Kore Mining Ltd. ("Kore") pursuant to which Eureka agreed to acquire all of the issued and outstanding common shares of Kore in exchange for common shares of Eureka by way of a three-cornered amalgamation. Kore owns 100% interests in the Imperial and Long Valley gold projects located in eastern California. The projects have had over 141,000 metres of historic drilling.

Combined, historical estimates of resources at Imperial and Long Valley total 2,090,200 measured and indicated ounces of gold and 1,869,500 inferred ounces of gold. A qualified person has not done sufficient work to classify the historical estimates as current resources and Kore is not treating the historical estimates as current resources. Significant data compilation, re-drilling, resampling and data verification will be required by a qualified person before the historical estimates at the projects can be classified as current resources.

The transaction will constitute a reverse takeover of Eureka by Kore under the policies of the TSX Venture Exchange. As a condition of closing of the transaction, Eureka will complete a consolidation of its issued and outstanding common shares on the basis of one post-consolidated Eureka share for each 10 pre-consolidated Eureka shares. In addition, Eureka completed a shares-for-debt transaction to eliminate liabilities of $127,400.

Eureka believes that this transaction will benefit current Eureka shareholders given that the combined entity will have a stronger portfolio of gold properties and will be funded with a minimum of $2,000,000 as a condition of closing the transaction.

The transaction is subject to various corporate and regulatory conditions. Full details of the Kore transaction can be read in the "Proposed Transaction" section later in this MD&A.

The Company anticipates closing the transaction with Kore in October 2018 at which time the Company's shares will resume trading as Kore Mining Ltd.

Sincerely,

*"Michael Sweatman"*

Michael Sweatman, President and CEO

## INTRODUCTION

Eureka Resources Inc. ("Eureka" or "the Company") is an exploration stage company with a strong technical team, whose strategy is to acquire projects in prospective areas that have the potential to deliver important discoveries and create value for its shareholders. The Company's primary focus is exploration for precious metals in British Columbia and the Yukon Territory.

The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "EUK". The Company's head office is PO Box 48681 Bentall Centre, Vancouver, British Columbia, Canada V7X 1A6. The registered and records office is c/o Clark Wilson, Suite 900 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H1.

This discussion and analysis of financial position, results of operations and cash flows of Eureka Resources Inc. for the nine months ended July 31, 2018 includes information up to and including October 1, 2018 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the nine months ended July 31, 2018 and the Company's audited annual consolidated financial statements for the years ended October 31, 2017 and 2016. All the financial statements were prepared using International Financial Reporting Standards ("IFRS"). The Board of Directors of the Company has approved this MD&A.

The reader is encouraged to review the Company's statutory filings at www.sedar.com and to review other information about the Company on its website at www.eurekaresourcesinc.com.

## OVERALL PERFORMANCE

***FG Gold Project, Cariboo Mining Division, British Columbia:***

The FG Gold project ("FG Gold") is a strata-controlled gold project located at the headwaters of the Horsefly River, 50 kms east of Horsefly, B.C. and consists of 30 contiguous claims (10,084 hectares). Over $15.0 million of exploration work has been completed on FG Gold, establishing a Measured and Indicated resource of 376,000 ounces of gold at an average grade of 0.776 g/t (using a 0.5 g/t cut-off), and an Inferred resource of 634,900 ounces of gold at an average grade of 0.718 g/t (using a 0.5 g/t cut-off). Mineralization has been outlined over a 3 km strike length, and additional mineralization could extend along an interpreted 10 km strike length. Further details on the gold resource can be found in "NI 43-101 Technical Report, Frasergold Exploration Project, Cariboo Mining Division, dated July 27, 2015" available on SEDAR or on the Company's website.

Work in 2016 consisted of soil sampling in the northwest extension and a geophysical interpretation of a 2008 airborne geophysical survey in the northwest and southeast extensions and in the south limb area. Interpretation of geophysical results indicates that the favourable horizon is identified from electromagnetic results and offsetting of the horizon is interpreted from magnetic results. Soil anomalies correlate well with interpreted favourable stratigraphic horizon to the northwest and provide drill targets for future programs. Similar geophysical features are interpreted to the southeast and on the south limb and provide areas for future geochemical surveys.

Eureka intends to conduct an exploration program on the interpreted offset of the Main Zone which was discovered in 2016 from a thorough re-interpretation of a 2007 airborne survey. However, timing of an exploration program is not certain. The Company believes that a successful drilling program on the offset on the Main Zone could add significantly to the known gold resources at the property.

An exploration permit was recently received for the FG Gold Project which allows, subject to several conditions, drilling of up to ten drill holes in the northwest area of the FG Gold property proximal to current roads.

**OVERALL PERFORMANCE** – (cont'd)

***Gold Creek Project, Cariboo Mining Division, British Columbia:***

On November 14, 2016, Eureka entered into an option agreement to earn up to a 100% interest in the Gold Creek project ("Gold Creek").

Under the terms of the option agreement, Eureka can earn up to a 100% interest in Gold Creek as follows:

- 49% by incurring a minimum of $30,000 in exploration expenditures by November 14, 2016 (incurred);
- an additional 26% by issuing 50,000 common shares (issued) and by incurring an additional $50,000 in exploration expenditures by August 31, 2017 (incurred);
- an additional 25% by issuing an additional 100,000 common shares (issued) and by incurring an additional $50,000 in exploration expenditures by August 31, 2018 (incurred).

The vendor retained a 1% net smelter royalty. The Company may purchase one-half of the royalty for $1,000,000.

Mineralization at Gold Creek is located 2 kms north of the village of Likely, B.C. The property consists of 33 contiguous mineral claims totalling 9,673 hectares. The Gold Creek property is accessible via a well-maintained all-weather road. Gold mineralization encountered to date at Gold Creek strikes toward the Spanish Mountain deposit which is located 8 kms to the southeast. Spanish Mountain hosts a 2.48-million-ounce measured and indicated gold resource (see Spanish Mountain Gold Ltd. news release dated April 10, 2017). The Gold Creek mineralized zone is interpreted to occur above the stratigraphic unit, which hosts the Spanish Mountain mineralization.

There are numerous soil anomalies on the property over a 12 km strike length. Much of Gold Creek is covered by overburden and remains virtually unexplored. Limited percussion drilling was completed in the 1980's, with anomalous values of gold up to 1.1g/t reported over a hole length of 1.5 metres.

A 2008 program consisted of 6 diamond drill holes totalling 1,060 metres. A 2011 program consisted of 25 drill holes totalling 2,501 metres, of which 5 (1,037 metres) were diamond drill holes and 16 drill holes (1,464 metres) were reverse-circulation. The program outlined a gold-rich zone with sample values ranging from anomalous to 13.4 g/t Au. The purpose of the 2008 and 2011 drill programs was to test numerous gold soil anomalies as well as expand upon low-grade bulk-tonnage gold mineralization encountered in earlier drill programs. Analysis of the 2008 and 2011 drill data indicates that there appears to be a 300-metre-long zone of low-grade gold mineralization over widths of 75 to 100 metres open along strike to the southeast and to depth. Nine drill holes have tested this zone to date, indicating the zone dips steeply to the northeast and to a vertical depth of at least 250 metres.

The Company completed a rock chip and soil sampling program at Gold Creek in late 2016 extending grid-work completed by the previous operator. Samples were analysed for gold by MMI techniques, and results indicate some weak to moderate anomalies ranging to 22.4 ppb Au. Rock chips were collected from showing areas and graded up to 8.65 ppm Au.

**OVERALL PERFORMANCE** – (cont'd)

***Gold Creek Project, Cariboo Mining Division, British Columbia:***

*2017 Drill Program*

In May 2017, Eureka completed its initial diamond drill program at Gold Creek.

The 2017 drill program consisted of three holes totalling 331 metres and was focused on a gold-bearing zone containing disseminated and high-grade vein-controlled gold mineralization. Eureka's 2017 drill program served as verification of work conducted by the previous operator and as a guide to design future exploration programs in this area of the property.

Drilling was conducted in previously disturbed areas to mitigate environmental disturbance. The program utilized a diamond drill providing HQ diameter core and twinned a historical reverse circulation drill hole which terminated in gold mineralization at 45.72 metres. In 2011, the previous operator drilled hole GC11-27 (twinned as part of the 2017 drill program) which returned 41.20 metres of 0.893 g/t Au, including 1.51 metres of 3.400 g/t Au.

With the completion of the 2017 drill program, Eureka has satisfied its work commitment required to earn a 100% interest in Gold Creek. Eureka completed the earn-in by issuing 150,000 common shares to the vendor on July 5, 2017.

*2018 Drill Program*

During the summer of 2018, a drill program consisting of 4 diamond drill holes was completed at Gold Creek. The results of this drill program will be released once all assays results have been received.

**OVERALL PERFORMANCE** – (cont'd)

***Luxor Project, Dawson Range Gold Belt, Yukon Territory:***

The Luxor project ("Luxor") is located in the Dawson Range Gold Belt of western Yukon, a district of major porphyry, breccia and vein deposits and occurrences, and is comprised of three non-contiguous claim blocks referred to as the Ophir, Sheba, and Hav. The project consists of 360 claims (approximately 7,000 hectares) and is located 65–80 kms southeast of Dawson City. Neighbouring projects include the Coffee deposit recently acquired by Goldcorp, and Western Copper and Gold Corporation's Casino deposit. The area is accessed via a well-maintained gravel road from Dawson City.

Placer gold mining in the Klondike district of the Yukon has been active since the late 1890's gold rush. Bedrock exploration commenced in the area in the 1970's and resulted in the development of the Casino deposit.

Mineralization in the district is gold, silver, copper and molybdenum porphyry deposits (Casino), mineralized breccia deposits (Coffee), and lode and stockwork veins (Golden Saddle). All three styles of mineralization have been identified near the non-contiguous Ophir, Sheba and Hav claim blocks. Placer mining has produced gold from creeks draining these properties. There is no documented history of bedrock exploration.

On December 12, 2016, Eureka entered into an agreement to purchase a 100% interest in Luxor.

On January 3, 2017, the Company issued 2,500,000 common shares to the vendors. The vendors agreed to an arrangement under which the shares will become free trading on the following dates:

- June 28, 2017 833,334 shares;
- December 28, 2017: 833,334 shares;
- June 28, 2018: 833,332 shares.

In addition, the Company issued 125,000 common shares as a finder's fee.

The Company has committed to use the vendors to perform exploration work on Luxor totalling $750,000 over four years as follows:

- $187,500 on or before December 28, 2017 (incurred);
- $187,500 on or before December 28, 2018;
- $187,500 on or before December 28, 2019;
- $187,500 on or before December 28, 2020;

The vendors will retain a 2% net smelter return royalty for gold produced from Luxor. The Company may purchase the royalty for $1,000,000.

**OVERALL PERFORMANCE** – (cont'd)

***Etta Project, Dawson Range Gold Belt, Yukon Territory:***

In May 2017, the Company staked the Etta 1-24 claims in an area close to the Sheba and Ophir claims. The Etta 1-24 claims cover the south flank of the Indian River Valley as well as tributaries of Eureka Creek, both of which support highly productive active placer operations. Eureka included the newly staked Etta claim block in its recent airborne geophysical surveying program.

***TAK Project, Dawson Range Gold Belt, Yukon Territory:***

The TAK project ("TAK") is located in the Dawson Range Gold Belt of western Yukon and is comprised of 82 contiguous claims (1,695 hectares). TAK is located 100 kilometres southeast of Dawson City, and approximately 30 kilometres south of Luxor. Placer mining at TAK has produced gold from creeks draining the western portion of the property. There is no documented history of bedrock exploration.

On February 21, 2017, Eureka commenced a ground magnetic survey and a VLF (very low frequency) electromagnetic survey on TAK. The work was performed and directed by Aurora Geosciences Ltd. of Whitehorse, YT. The data obtained from the survey will provide Eureka with valuable information to assist in the development of a phase 2 exploration plan for TAK. Since acquiring TAK, the Company's technical group has commenced a review of all the historical data acquired as part of the transaction. Eureka plans to integrate the historical data with the 2017 geophysical results in order to prioritize target areas on the property.

On January 9, 2017, the Company entered into an agreement to purchase a 100% interest in TAK.

On February 6, 2017, the Company issued 500,000 common shares as consideration for the purchase. The TAK vendors have agreed to an arrangement under which the shares will become free trading as follows:

- On closing 125,000 shares
- Six months from closing 125,000 shares
- Twelve months from closing 125,000 shares
- Eighteen months from closing 125,000 shares

The vendors will retain a 2% net smelter royalty for gold produced from TAK. The Company may purchase 1% for $1,000,000.

***2017 Geophysical Survey – Luxor, Etta and TAK:***

In April 2017, Eureka entered into a contract with Geotech Ltd. to conduct a helicopter-borne, VTEM time-domain system and magnetic geophysical survey over the Company's Luxor, Etta and TAK claims.

The survey and data acquisition was completed in May 2017 and consisted of 1,152 line kilometres flown at 100-metre line spacing. The data resulting from the survey has been interpreted and will be used to guide and design future ground-based exploration.

**OVERALL PERFORMANCE** – (cont'd)

***CKN Project, Cariboo Mining Division, British Columbia:***

On April 5, 2017, the Company entered into an option agreement to earn a 100% interest in 2 claims covering 1,356 hectares known as the CKN Project ("CKN").

To earn the 100% interest, the Company would make the following cash and share payments to the vendor, and incur the following minimum exploration expenditures:

| Due Date | Cash | Common Shares | Exploration Expenditures |
|---|---|---|---|
| Closing Date | $15,000 (paid) | 50,000 (issued) | $Nil |
| On or before July 1, 2018 | $20,000 | 100,000 | $40,000 |
| On or before July 1, 2019 | $30,000 | 100,000 | $80,000 |
| On or before July 1, 2020 | $50,000 | 200,000 | $100,000 |
| On or before July 1, 2021 | $100,000 | 250,000 | $Nil |

The vendor retained a 2% net smelter royalty on the property. The Company had the right to purchase one-half of the royalty for $1,000,000 any time prior to commercial production.

On April 21, 2017, the Company received TSXV acceptance of the option agreement and issued 50,000 common shares with a fair value of $4,750.

In May 2017, the Company staked 2 additional contiguous claims covering 491 hectares, bringing the total claim block to 1,847 hectares contained in 4 contiguous claims. The new staking covered the balance of a magnetic anomaly identified in British Columbia government data.

CKN is located adjacent to the northeast boundary of the Gibraltar copper-molybdenum mine currently operated by Taseko Mines Ltd. and is accessible by road from Williams Lake.

The Company completed a ground geological and geochemical study on the CKN property in the fall of 2017 to establish potential drill targets.

The Company terminated the option agreement on the CKN property on December 23, 2017. The Company recorded a write-off of exploration and evaluation assets of $36,901 effective October 31, 2017.

**OVERALL PERFORMANCE** – (cont'd)

***Gemini Lithium Project, Esmeralda County, Nevada:***

Eureka owns a 50% interest in the Gemini Lithium Project ("Gemini") located in the Lida Valley, Esmeralda County, Nevada, approximately 40 km (26 miles) south of the Clayton Valley, which contains North America's only producing lithium mine.

Exploration work in 2016 consisted of ground TDEM and CSAMT surveys over Gemini West and Gemini East. The surveys were successful in determining conductive horizons within both sub-basins indicating the possible presence of lithium-bearing brines.

***John R. Kerr, P.Eng., is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 and has reviewed and approved the technical information described herein.***

## SELECTED ANNUAL INFORMATION

The following financial data is selected information for the most recently completed fiscal years:

| | October 31, 2017 | October 31, 2016 | October 31, 2015 |
|---|---|---|---|
| Total revenue | $ - | $ - | $ - |
| Net and comprehensive income (loss) | $ (744,970) | $ (463,680) | $ 85,099 |
| Basic and diluted income (loss) per share | $ (0.018) | $ (0.018) | $ 0.005 |
| Total assets | $ 1,391,052 | $ 782,327 | $ 169,006 |
| Total non-current liabilities | $ - | $ - | $ - |
| Dividends | $ - | $ - | $ - |

All the annual results were derived from audited financial statements prepared using IFRS.

## RESULTS OF OPERATIONS

The Company recorded a comprehensive loss of $174,699 for the nine months ended July 31, 2018 compared to $567,592 for the nine months ended July 31, 2017.

Consulting fees decreased to $12,424 for the nine months ended July 31, 2018 compared to $125,670 for the nine months ended July 31, 2017. During the nine months ended July 31, 2017, the Company incurred technical and due diligence costs related to property acquisitions.

Marketing expense was $5,000 for the nine months ended July 31, 2018 compared to $119,791 for the nine months ended July 31, 2017. During the nine months ended July 31, 2017, the Company completed a marketing program in Germany and an investment radio program in the United States.

Share-based compensation was $Nil for the nine months ended July 31, 2018 compared to $130,000 for the nine months ended July 31, 2017. The Company granted 1,150,000 stock options during the 2017 period.

During the nine months ended July 31, 2018, the Company received a Yukon Mining Exploration grant of $80,000 compared to $Nil for the nine months ended July 31, 2017.

During the nine months ended July 31, 2018, the Company received a BC Mining Exploration Tax Credit of $18,096 compared to $22,755 for the nine months ended July 31, 2017.

During the nine months ended July 31, 2018, the Company paid deferred acquisition costs of $24,289 related to the proposed acquisition of Kore Mining Ltd.

During the nine months ended July 31, 2018, the Company paid exploration and evaluation costs of $61,444 compared to $415,281 during the nine months ended July 31, 2017.

During the nine months ended July 31, 2018, the Company received net proceeds from the issuance of common shares of $119,446 compared to $515,544 for the nine months ended July 31, 2017.

## SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended October 31, 2017 and 2016 are calculated from the Company's annual audited consolidated financial statements. All other amounts are from unaudited condensed interim consolidated financial statements prepared by management.

| | Q3 July 31, 2018 | Q2 April 30, 2018 | Q1 January 31, 2018 | Q4 October 31, 2017 |
|---|---|---|---|---|
| Total revenues | $ - | $ - | $ - | $ - |
| Comprehensive loss | $ (37,944) | $ (75,054) | $ (61,701) | $ (160,470) |
| Basic and diluted loss per share | $ (0.001) | $ (0.001) | $ (0.001) | $ (0.004) |

| | Q3 July 31, 2017 | Q2 April 30, 2017 | Q1 January 31, 2017 | Q4 October 31, 2016 |
|---|---|---|---|---|
| Total revenues | $ - | $ - | $ - | $ - |
| Comprehensive loss | $ (156,362) | $ (141,079) | $ (270,151) | $ (171,051) |
| Basic and diluted loss per share | $ (0.004) | $ (0.003) | $ (0.008) | $ (0.006) |

Variances in quarterly results can be due to stock-based compensation incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted. Another factor which could cause a significant variance in quarterly results would include the write-off of a mineral property.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has a history of operating losses and at July 31, 2018 has an accumulated deficit of $7,349,559. At July 31, 2018, the Company had a working capital deficiency of $501,962. The Company will require additional equity financings in order to continue exploration of its mineral properties and fund its administrative expenses.

Historically, the Company has been able to fund administrative overheads and property acquisition, exploration and evaluation through equity financings. Uncertainty in the financial equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it even more difficult to fund.

While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

*Financing Activities*

***Nine Months Ended July 31, 2018:***

*Private Placement*

On December 28, 2017, the Company issued 4,000,000 common shares pursuant to the private placement of 4,000,000 common shares at $0.025 per share for gross proceeds of $100,000. In connection with the private placement, the Company paid finder's fees of $4,550.

On January 22, 2018, the Company issued 750,000 common shares pursuant to the private placement of 750,000 common shares at $0.035 per share for gross proceeds of $26,250. In connection with the private placement, the Company paid finder's fees of $367.

*Shares for Debt*

On April 30, 2018, the Company issued 2,548,000 common shares at $0.05 per share to settle outstanding debts of $127,400. Included were 2,128,000 common shares issued to related parties to settle debts totalling $106,400.

***Year Ended October 31, 2017:***

*Private Placement*

On May 31, 2017, the Company issued 6,340,430 units (3,261,055 flow-through units at $0.09 per unit and 3,079,375 non-flow-through units at $0.08 per unit) for total proceeds of $539,845. The Company allocated proceeds of $32,611 to other income for the flow-through premium on the flow-through portion of the private placement. In addition, the Company allocated proceeds of $63,404 to contributed surplus for the fair value of the warrants issued on the private placement.

Each flow-through unit consisted of one flow-through common share and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase an additional common share at $0.15 per share until May 31, 2019.

## LIQUIDITY AND CAPITAL RESOURCES

*Financing Activities – (cont'd)*

***Year Ended October 31, 2017:***

Each non-flow-through unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase an additional common share at $0.15 per share until May 31, 2019. The proceeds from the issuance of the non-flow-through units were used for working capital.

The Company paid finder's fees of $30,675, 187,500 common shares with a fair value of $13,125, 187,500 share purchase warrants and 13,332 finder's warrants. Each share purchase warrant entitled the holder to purchase an additional common share at $0.15 per share until May 31, 2019. Each finder's warrant entitled the holder to purchase a non-flow-through unit at $0.09 per unit until May 31, 2019.

*Private Placement*

On December 29, 2016, the Company issued 707,000 common shares pursuant to the private placement of 707,000 flow-through units at $0.10 per unit for gross proceeds of $70,700. Each unit contained one flow-through common share and one-half of one share purchase warrant. Each full warrant entitled the holder to purchase an additional common share at $0.15 per share until December 29, 2018.

In connection with the private placement, the Company paid finder's fees of $1,992 and issued 19,920 finder's warrants. Each finder's warrant entitled the holder to purchase one non-flow-through unit with the same terms as the private placement units at $0.10 per unit until December 29, 2018.

*Finder's Warrants Exercised*

On January 20, 2017, the Company issued 38,500 common shares and 38,500 warrants exercisable at $0.125 per share until April 29, 2018 pursuant to the exercise of 38,500 finder's warrants at $0.075 for proceeds of $2,887.

*Marketable Securities*

During the year ended October 31, 2017, the Company sold its marketable securities for proceeds of $25,990 resulting in a gain on sale of marketable securities of $990.

## OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements to report.

## TRANSACTIONS WITH RELATED PARTIES

At October 1, 2018, the directors of the Company were Michael Sweatman, Warren Stanyer, John Kerr, Kristian Whitehead, Brent Petterson and Gary Vivian. The officers of the Company were Michael Sweatman (CEO), Brent Petterson (CFO) and Christina Boddy (Corporate Secretary). Additional related parties include MDS Management Ltd, MBP Management Ltd, Rhodanthe Corporate Services, Infiniti Drilling Corporation, Aurora Geoscience Ltd, companies with officers or directors in common, namely Michael Sweatman, Brent Petterson, Christina Boddy, Kristian Whitehead and Gary Vivian. Nevada Sunrise Gold Corporation is a public company with directors and officers in common with the Company.

During the nine months ended July 31, 2018 and 2017, the Company incurred the following charges by directors of the Company and by companies with directors and officers in common with the Company.

| | 2018 | 2017 |
|---|---|---|
| Accounting fees (Petterson) | $ 27,000 | $ 28,000 |
| Consulting fees (Stanyer, Kerr, Whitehead, Vivian) | 11,712 | 24,000 |
| Exploration and evaluation assets – acquisition (Nevada Sunrise) | - | 11,000 |
| Exploration and evaluation assets - exploration (Whitehead, Vivian) | 99,225 | 125,865 |
| Management fees (Sweatman, Boddy) | 54,000 | 54,000 |
| Share-based compensation | - | 88,000 |
| | $ 191,937 | $ 330,865 |

*Key Management Compensation:*

During the nine months ended July 31, 2018 and 2017, the Company incurred the following key management compensation charges. Key management includes the Company's directors and executive officers.

| | 2018 | 2017 |
|---|---|---|
| Accounting fees (Petterson) | $ 27,000 | $ 28,000 |
| Consulting fees (Stanyer, Kerr, Whitehead, Vivian) | 11,712 | 24,000 |
| Exploration and evaluation assets - exploration (Whitehead, Vivian) | 99,225 | 125,865 |
| Management fees (Sweatman, Boddy) | 54,000 | 54,000 |
| Share-based compensation | - | 88,000 |
| | $ 191,937 | $ 319,865 |

## TRANSACTIONS WITH RELATED PARTIES – (cont'd)

During the nine months ended July 31, 2018 and 2017, share-based compensation expense related to stock options granted was as follows:

| | 2018 | 2017 |
|---|---|---|
| John Kerr | $ - | $ 12,000 |
| Kristian Whitehead | - | 12,000 |
| Warren Stanyer | - | 12,000 |
| Michael Sweatman | - | 12,000 |
| Brent Petterson | - | 12,000 |
| Christina Boddy | - | 12,000 |
| Gary Vivian | - | 16,000 |
| | $ - | $ 88,000 |

At July 31, 2018, due to related parties includes $187,523 (October 31, 2017 - $290,397) payable to directors of the Company, to companies with directors and officers in common with the Company and to another public company with directors in common with the Company for fees and expenses.

At July 31, 2018 and October 31, 2017, due to related parties included the following:

| | July 31, 2018 | October 31, 2017 |
|---|---|---|
| Gary Vivian – fees | $ - | $ 3,000 |
| Aurora Geoscience Ltd – fees and expenses | 7,350 | 140,408 |
| John Kerr - fees | - | 4,500 |
| MBP Management Ltd - fees | 21,525 | 22,050 |
| MDS Management Ltd - fees | 38,325 | 29,400 |
| Mike Sweatman - expenses | - | 444 |
| John Kerr & Associates Ltd – fees and expenses | - | 2,078 |
| Rhodanthe Corporate Services - fees | 10,500 | 14,700 |
| Warren Stanyer - fees | 5,250 | 7,350 |
| Nevada Sunrise Gold Corporation - expenses | 19,850 | 22,060 |
| Infiniti Drilling Corp – fees and expenses | 84,723 | 40,907 |
| Kristian Whitehead - fees | - | 3,500 |
| | $ 187,523 | $ 290,397 |

## PROPOSED TRANSACTION – ACQUISITION OF KORE MINING LTD.

*Acquisition of Kore Mining Ltd.*

On February 24, 2018, the Company signed an amalgamation agreement with Kore Mining Ltd. ("Kore"), a private British Columbia corporation, under which the Company agreed to acquire all of the issued and outstanding common shares of Kore in exchange for common shares of the Company by way of a three-cornered amalgamation. Kore, through its wholly-owned U.S. subsidiaries, owns 100% interests in the Imperial and Long Valley gold development projects, located in California, USA. The transaction will constitute a reverse takeover of the Company by Kore under the policies of the TSX Venture Exchange.

*Share Consolidation*

As a condition of closing of the transaction, the Company will complete a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for each ten pre-consolidation common shares.

At the Company's annual general and special meeting held on March 22, 2018, the shareholders of the Company authorized the board of directors to proceed with the share consolidation.

*Terms of the Transaction*

The transaction will be effected by way of a three-cornered amalgamation, without court approval, under the Business Corporations Act (British Columbia), pursuant to which, through the amalgamation of a newly incorporated British Columbia subsidiary of the Company and Kore, the Company will acquire all of the issued and outstanding Kore common shares in exchange for the issuance of shares of the Company (on a post-consolidation basis) and Kore will become a subsidiary of the Company.

On April 30, 2018, the Company issued 2,548,000 common shares at $0.05 per share to settle total indebtedness of $127,400. As of the date of these financial statements, the Company has 53,010,402 common shares issued and outstanding which will be reduced to 5,301,040 common shares on a post-consolidation basis.

Pursuant to the terms of the agreement, the Company has agreed to issue three post-consolidation common shares in exchange for each Kore share, resulting in the shareholders of Kore being issued a total of 56,121,606 common shares (on a post-consolidation basis). The exchange ratio was determined on the basis of this number of shares outstanding at closing. If the actual number of outstanding shares immediately prior to the effective time is greater than such amount, then the exchange ratio will be adjusted to ensure that, immediately following the closing, the former Kore shareholders will hold no less than 91.8% of the total number of issued and outstanding shares (prior to giving effect to the private placement (as defined below)). The transaction is subject to various closing conditions, including the final receipt of approval of the TSX Venture Exchange.

**PROPOSED TRANSACTION – ACQUISITION OF KORE MINING LTD.** – (cont'd)

Following the closing, the Company will continue on with the business of Kore and remain a Tier 2 Mining Issuer, with Kore as its operating subsidiary (with the Company, after the closing, being referred to herein as the resulting issuer). The resulting issuer is anticipated to hold all existing assets of the Company and Kore at closing. It is expected that, in connection with closing, the Company will change its name to Kore Mining Ltd., or such other name as agreed by the parties, with a corresponding change of trading symbol of the Company.

Certain common shares to be issued to Kore shareholders in connection with the transaction will be subject to escrow under the policies of the TSX Venture Exchange.

*Private Placement*

In connection with the transaction, the Company will undertake a private placement of subscription receipts for minimum gross proceeds of $2,000,000 and maximum gross proceeds of $7,000,000, on terms to be agreed to by the parties.

On April 12, 2018, the Company announced a brokered private placement of subscription receipts to be undertaken through PI Financial Corp. pursuant to which it will offer up to 44,000,000 subscription receipts at $0.05 per subscription receipt for gross proceeds of up to $2,200,000. The private placement offering is intended to be the concurrent financing in connection with the Company's acquisition of Kore.

Each subscription receipt will entitle the holder thereof the right to receive one unit of the Company. Each unit to be issued on conversion of the subscription receipts will consist of one common share and one-half of one share purchase warrant. Each full warrant will entitle the holder thereof the right to acquire an additional common share for a period of 24 months from the date of closing at $0.075 per share.

The number of units underlying the subscription receipts will be adjusted to reflect the one for ten share consolidation such that an aggregate of up to 4,400,000 units will be issued on conversion of the subscription receipts at $0.50 per unit with the attached warrants exercisable into common shares at $0.75 per share.

The net proceeds of the private placement offering will be held in escrow and, upon satisfaction or waiver of certain conditions, including all conditions of the closing of the transaction, will be released to the Company.

Expiry of the warrants will be subject to an acceleration clause if, following the issuance of the warrants, the closing price of the Company's common shares equals or exceeds $1.00 per share, on a post-consolidation basis, for a period of 10 consecutive trading days during the exercise period. In that case, the Company may accelerate the expiry date of the warrants to 30 calendar days from the date notice is given by the Company, by way of a news release to the holders of the warrants.

The Company has agreed to grant PI Financial Corp. the option to offer such number of additional subscription receipts as is equal to up to 15% cent of the subscription receipts issued under the private placement offering. The agent's option may be exercised in whole or in part at any time up to two days prior to the closing of the offering.

**PROPOSED TRANSACTION – ACQUISITION OF KORE MINING LTD. –** (cont'd)

The Company has agreed to pay the agent a cash commission equal to 7% of the gross proceeds of the offering (including any proceeds derived from exercise of the agent's option). In addition, subject to compliance with all required regulatory approvals, the Company will issue to the agent such number of compensation warrants as is equal to 7% of the aggregate subscription receipts sold under the offering (including on any exercise of the agent's option), each of which will entitle the agent to purchase one common share at $0.05 per share on a pre-consolidation basis ($0.50 per share on a post-consolidation basis) for a period of 24 months following the date of closing.

*Conditions of Closing of the Transaction*

The transaction is subject to a number of terms and conditions, including, among other things:

- the Company and Kore obtaining all necessary consents, orders and regulatory approvals;
- completion of a private placement for minimum gross proceeds of $2,000,000 and maximum gross proceeds of $7,000,000;
- there being no material change occurring with respect to the businesses of the companies;
- satisfaction of obligations under the agreement relating to each of the parties;
- delivery by each of the parties of standard closing documents, including legal opinions;
- approval of the transaction by the shareholders of both companies;
- execution of support and voting agreements by all directors and officers of the companies and any shareholders holding greater than 10% of the issued and outstanding shares in either of the companies.

It is expected that, following closing, all of the current directors and officers of the Company will resign and the board of directors of the resulting issuer will consist of directors nominated by Kore. The new board shall be placed before shareholders of the resulting issuer for election at the next occurring shareholders meeting.

*Exclusivity and Break Fees*

The Company and Kore have agreed to exclusivity terms in the agreement. However, nothing shall prohibit either party from complying with their duties and/or fiduciary obligations under applicable law, including, without limitation, with respect to any unsolicited proposal received by either party that may be superior to the transaction.

## **PROPOSED TRANSACTION – ACQUISITION OF KORE MINING LTD.** – (cont'd)

The Company and Kore have each agreed to immediately notify the other party of any information it may receive concerning an actual or intended offer for any or all of its assets or any of its securities and shall allow the other party the opportunity to match any actual bona fide offer presented in writing within three business days of such notice. Should the other party elect not to match the actual or intended offer, and should the recipient accept the offer, the recipient of the accepted offer must pay the other party a break fee of $50,000.

*Principal Shareholders*

In connection with the transaction, it is expected that an aggregate of 19,500,300 shares of the Company will be issued to 1130447 B.C. Ltd. and 15,000,300 shares of the Company will be issued to Blaxland Pacific Management Corp. (each on a post-consolidation basis) in exchange for their Kore shares, representing approximately 31.9% and 24.5%, respectively, of the Company's outstanding shares following the closing. Each of these Kore shareholders is a privately incorporated British Columbia company. The foregoing percentages have been calculated based on there being 61,167,846 common shares of the Company issued and outstanding after giving effect to the transaction but before the issuance of any common shares in connection with the debt settlement and the private placement.

Trading in the Company's shares has been halted and is expected to remain halted until closing of the transaction.

## CRITICAL ACCOUNTING ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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:

*Exploration and Evaluation Assets*

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

*Share-based Payments*

The estimation of share-based payments includes estimating the inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in equity. Share-based payments expense and share-based share issuance costs are estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

*Income Taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

**CHANGES IN ACCOUNTING POLICIES**

There were no changes in the Company's significant accounting policies during the nine months ended July 31, 2018 that had a material effect on its condensed interim consolidated financial statements. The Company's significant accounting policies are disclosed in Note 3 to its condensed interim consolidated financial statements for the nine months ended July 31, 2018.

*New Standards and Interpretations Not Yet Adopted*

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

*Financial Assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's GST receivable, BC Mining Exploration Tax Credit receivable and Yukon Mining Exploration Grant receivable are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. As at July 31, 2018 and October 31, 2017, the Company has not classified any financial assets as held to maturity or available for sale. The Company classifies its reclamation bonds as held to maturity.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss as follows:

a) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

b) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of loss and comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to the statement of loss and comprehensive loss.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS** – (cont'd)

*Financial Liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities and due from related parties are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair values of the Company's receivables, accounts payable and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at July 31, 2018 and October 31, 2017:

| | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| October 31, 2017: | | | |
| Cash | $ 2,686 | $ - | $ - |
| Restricted cash | $ 72,011 | $ - | $ - |
| July 31, 2018: | | | |
| Cash | $ 853 | $ - | $ - |

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS** – (cont'd)

The Company's risk exposures and the impact on its financial instruments are summarized below:

*Credit risk*

The Company's cash is held with large financial institutions. The Company's receivables consist of sales taxes and exploration tax credits receivable from the Government of Canada and the Governments of British Columbia and the Yukon Territory. Management believes that credit risk concentration with respect to receivables is remote.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At July 31, 2018, the Company had cash of $853 to settle current liabilities of $525,217. Management intends to raise additional funds through equity financings or shares for debt to meet its current liabilities when they become due.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices.

a) *Interest rate risk:*

The Company has cash which is not subject to significant risks in fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on operations.

b) *Price risk:*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's marketable securities are subject to price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

c) *Foreign currency risk:*

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable denominated in US dollars. As at July 31, 2018 and October 31, 2017, a 10% fluctuation in the US Dollar against the Canadian Dollar would not have a significant impact on profit and loss.

## RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties detailed earlier in this MD&A, the Company is also subject to other risks and uncertainties including the following:

*General Risk Associated with the Mining Industry*

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 claims and agreements are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk and may employ a strategy of joint ventures with other companies which balance the risk while at the same time allowing properties to be advanced.

*Dependence on Key Personnel*

Loss of certain members of the executive team or key operational leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and competition for qualified personnel may be intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

*Competitive Industry*

Mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

*Title to Mineral Properties*

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

**RISKS AND UNCERTAINTIES –** (cont'd)

*Permits and Licences*

The operations of the Company will require licences and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations of its projects.

*Environmental Regulation*

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Company may become subject to liability for pollutions or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

*Estimates of Mineral Resources May Not Be Realized*

The mineral resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

## DISCLOSURE OF OUTSTANDING SHARE DATA

a) *Issued:*

| | Number |
|---|---|
| At October 1, 2018 | 53,010,402 |

b) *Stock Options:*

At October 1, 2018, the Company had 3,100,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

| Number of options outstanding | Exercise Price | Expiry Date |
|---|---|---|
| 1,200,000 | $0.10 | June 23, 2020 |
| 800,000 | $0.10 | June 27, 2021 |
| 900,000 | $0.13 | January 16, 2022 |
| 200,000 | $0.10 | April 28, 2022 |
| 3,100,000 | | |

c) *Share Purchase Warrants:*

At October 1, 2018, the Company had 6,676,215 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

| Number of warrants outstanding | Exercise Price | Expiry Date |
|---|---|---|
| 662,500 | $0.15 | October 20, 2018 |
| 1,087,500 | $0.15 | October 26, 2018 |
| 353,500 | $0.15 | December 29, 2018 |
| 3,357,715 | $0.15 | May 31, 2019 |
| 1,215,000 | $0.125 | June 10, 2020 |
| 6,676,215 | | |

d) *Finders Warrants:*

At October 1, 2018, there were 139,572 finder's warrants outstanding as follows:

| Number of warrants Outstanding | Exercise Price | Expiry Date |
|---|---|---|
| 42,000 | $0.10 | October 20, 2018 |
| 64,320 | $0.10 | October 26, 2018 |
| 19,920 | $0.10 | December 29, 2018 |
| 13,332 | $0.09 | May 31, 2019 |
| 139,572 | | |

Finder's warrants entitle the holders to purchase one unit with the same terms as the private placement to which they relate.