GENERATIONMINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2018 AND THE PERIOD JANUARY 11, 218 TO JUNE 30, 2018

*This Management's Discussion and Analysis ("**MD&A**") reviews the financial condition and results of operations of Generation Mining Limited ("Generation" or the "Company") for the three months ended June 30, 2018 and from the period from incorporation on January 11, 2018 to June 30, 2018. The MD&A was prepared as of August 28, 2018 and should be read in conjunction with the unaudited interim condensed financial statements for the three months ended June 30, 2018 and the period January 11, 2018 to June 30, 2018, including the notes thereto which have been prepared in accordance with International Accounting Standards 34-Interim Financial Reporting ("**IAS 34**") using accounting policies consistent with the International Financial Reporting Standards or "IFRS" issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on SEDAR, www.sedar.com. All figures are in Canadian dollars unless otherwise indicated.*

OVERVIEW

Generation Mining Limited is a mineral exploration and development company focusing on zinc and molybdenum projects in Canada. The Company holds options on two advanced projects; the Davidson molybdenum deposit near Smithers, British Columbia and the Clear Lake zinc-lead-silver deposit in Yukon Territory. The Company also holds four promising exploration projects in Nova Scotia, Alberta, British Columbia and the Northwest Territories. The Company has quality projects located in safe jurisdictions and focused on economic geology.

Generation Mining Limited was incorporated under the *Business Corporations Act* (Ontario) on January 11, 2018, for the sole purpose of participating in an arrangement agreement ("the Arrangement") and to hold certain Property and Liabilities (such terms defined in Section – *General Development of the Business*, below) upon the completion of the Arrangement. Its registered office is located at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1 while its corporate office and mailing address is 80 Richmond Street West, Suite 1700, Toronto, Ontario M5H 2A4. The Company's common shares trade on the Canadian Securities Exchange under the symbol GENM.

HIGHLIGHTS FOR THE SECOND QUARTER OF 2018

- $2.6 million private placement financing completed in April 2018;
- Common shares listed for trading on Canadian Securities Exchange on May 9, 2018;
- Significant exploration program underway; and
- Well-funded with cash of approximately $1.5 million as of date of this report.

GENERAL DEVELOPMENT OF THE BUSINESS

Arrangement Agreement

On December 15, 2017, Pine Point Mining Limited ("**Pine Point**") entered into an arrangement agreement with Osisko Metals Incorporated ("**Osisko Metals**") pursuant to which Osisko Metals acquired, by way of court approved plan of arrangement (the "**Arrangement**"), all of the issued and outstanding common shares of Pine Point.

Under the Arrangement, Pine Point shareholders received, in exchange for each of their existing common shares of Pine Point: (i) 0.271 of a common share of Osisko Metals, (ii) 0.0677 of a common share purchase warrant of Osisko Metals, and (iii) 0.1 of a common share of Generation Mining Limited.

Pursuant to the Arrangement, all exploration assets previously owned by Pine Point other than the Pine Point Project located in the Northwest Territories, as well as certain other assets and liabilities of Pine Point, were transferred to the Company.

Contribution Agreement

Pursuant to the Arrangement, the Company, Pine Point and Osisko Metals entered into a Contribution Agreement dated February 23, 2018, pursuant to which Pine Point transferred the Transferred Property (defined below) to Generation Mining Limited and the Company assumed the Transferred Liabilities (as defined below). The "Transferred Property" includes:

- Pine Point's interest in the Davidson Project in British Columbia;
- Pine Point's interest in the Clear-Lake zinc-lead-silver project in Yukon;
- Pine Point's interest in the "Darnley Bay Anomaly" and diamond project in Northwest Territories;
- Pine Point's interest in the Nak Copper-Gold project in British Columbia;
- Those physical assets not located at the Pine Point project location, including all assets located in Pine Point's Toronto office, computers, office supplies and furnishings; and
- The cash held by, and cash amounts otherwise owing to, Pine Point (including all available tax refunds and receivables paid or payable from any governmental entity), less certain cash amount to be retained by Pine Point.

The "Transferred Liabilities" assumed by the Company pursuant to the Arrangement and the Contribution Agreement include all liabilities and obligations, whether accrued, contingent or otherwise, which arise out of or in connection with, the ownership, possession, financing, development or operation of the Transferred Property or which otherwise pertain or relate to the Transferred Property.

On January 11, 2018, Generation Mining Limited was incorporated to hold all of the assets and liabilities of Pine Point, with the exception of the Pine Point Project located in the Northwest Territories. On February 23, 2018, and in accordance with the terms of the Arrangement, the Transferred Property and Transferred Liabilities were transferred to the Company.

MINERAL PROPERTIES

Scientific and technical information contained in this MD&A relating to mineral reserves, mineral resources and exploration results was reviewed and approved by Rod Thomas, P.Geo., Director of the Company and Vice President, Exploration, a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Darnley Bay Anomaly, Northwest Territories: The Company holds 100% of the rights to a mineral concession covering the Inuvialuit Settlement Region's Paulatuk 7(1)(a) lands where the Inuvialuit hold the mineral and surface rights. The area hosts base metal and potential diamond exploration targets. The Company has an agreement regarding exploration and development with the Inuvialuit Regional Corporation which requires cash payments of $50,000 per year commencing in 2020, or when the TSX-Venture Exchange composite index reaches 1500, and minimum exploration expenditures of $1,000,000 per year commencing in 2020 and cumulative exploration expenditures of $6.3 million by 2025.

Darnley Bay Diamond, Northwest Territories: The Company and Diadem Resources Ltd. jointly hold 13 mineral leases on the Parry Peninsula northeast of Paulatuk in the Inuvialuit Settlement Region's 7(1)(b) lands where the Inuvialuit hold the surface rights and the Crown holds the mineral rights. The focus is on diamond exploration. Diadem is currently responsible for all expenses relating to the property.

Davidson, British Columbia: The Company has an option to acquire a 100% interest in a property hosting a molybdenum-tungsten deposit which consists of six mineral leases and two mining claims covering an area of 2,087 hectares. The option agreement was signed on April 1, 2016 and payments totalling $250,000 were made prior to June 30, 2018. There is an ongoing commitment of $100,000 on each anniversary of the agreement until commercial production is achieved or the agreement is terminated. Upon commercial production, the vendor will be entitled to a net smelter return royalty of 3%. On April 1, 2018, the second anniversary payment of $100,000 on the Davidson property was paid.

Clear Lake, Yukon Territory: The Company has an option to earn a 100% interest in a zinc-lead-silver property consisting of 121 claims covering approximately 2,479 hectares. The option agreement was signed on May 24, 2016 and is subject to a 2% net smelter return royalty. Agreement payments of $31,000 and a work commitment of $25,000 were fulfilled as at June 30, 2018. Additional commitments consist $475,000 in exploration expenditures to include 3,000 meters of drilling on the property on or before March 31, 2019, three remaining anniversary payments ($10,000, $20,000 and $40,000) from March 31, 2019, and the completion of 1,500 meters of drilling and payment of $25,000 in each of 2020 and 2021. A final commitment of $125,000 is to be made upon completion of a NI 43 – 101 technical report.

Nak, British Columbia: The Company has an option to earn a 100% interest in a copper-gold project consisting of 14 mineral claims over 1,603 hectares. The option agreement was signed on August 30, 2016 and is subject to a 2% royalty of which 62.5% can be purchased from the vendor for $1.5 million. There have been $30,000 in cash payments and a $14,542 work commitment as at June 30, 2018. Continuing commitments include $15,000 on the next two anniversaries of signing, $30,000 on the fourth anniversary and $60,000 on the fifth anniversary. Bonus payments to the vendor will consist of $25,000 on 1,500 metres of drilling and a further $25,000 upon a total of 3,000 metres of drilling. The Company has a work commitment balance of $460,458 to be made prior to August 31, 2019.

Kennetcook, Nova Scotia: On March 16, 2018, the Company entered into a Claims Acquisition Agreement to acquire a 100% interest in an exploration property with potential to host lead-zinc-silver-copper mineralization in central Nova Scotia consisting of 17 mineral licenses, totalling approximately 20,000 hectares. Pursuant to the agreement, the Company issued 3,000,000 common shares to the vendors valued at $300,000.

Alberta Zinc, Alberta: On May 10, 2018, the Company entered into an option agreement to acquire a 100% interest in the Alberta Zinc project near High Level, Alberta covering 60,000 hectares and consisting of eight mineral rights permits. The Company paid $10,000 and issued 500,00 common shares valued at $50,000 to the vendor upon signing and committed to a minimum of $100,000 in expenditures on the property by December 8, 2018, making a further payment of $50,000 (in cash or shares) on the first anniversary date and spending an additional $200,000 before the second anniversary of the agreement. The property is subject to a 2% gross metals royalty, of which half can be purchased by the Company at any time for $1 million.

EXPLORATION ACTIVITIES

The Company has initiated a significant exploration program for 2018 including:

- Darnley Bay Gravity Anomaly- a magnetotelluric survey consisting of approximately 100 sites over an area measuring approximately 40x50 km;
- Kennetcook Project- a helicopter-borne electromagnetic and magnetic geophysical survey.

These activities were conducted in July 2018 and the results are in the process of being evaluated.

A geochemical sampling survey is planned for the Alberta Zinc Project during the third quarter of 2018.

OUTLOOK

The Company's focus for 2018 is on executing the exploration program planned for the balance of the year and continuing to seek out promising projects in safe jurisdictions.

OVERALL PERFORMANCE

The Company's operations involve exploration and maintenance of its properties in the Northwest Territories, Nova Scotia, Alberta, British Columbia and Yukon Territory. The Company had no income from mining operations. During the period from incorporation to June 30, 2018 the Company commenced operations following the spinoff from Pine Point Mining Limited on February 23, 2018 with an experienced board of directors and management team. Two new projects were added during the period and strengthened the Company's portfolio of mineral properties, the Company's common shares were listed for trading on the Canadian Securities Exchange and a successful $2.6 million private placement was completed.

The Company is at an early stage of development and, as is common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had a working capital surplus, current assets less accounts payable and accrued liabilities, of $2,095,084 as at June 30, 2018; had not yet achieved profitable operations; had accumulated losses of $2,655,064 as at June 30, 2018; and expects to incur further losses in the development of its business. Management believes that it has adequate cash resources to fund its operations over the next twelve months. However, additional financing will be required in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate.

REVIEW OF SECOND QUARTER FINANCIAL RESULTS

THREE MONTHS ENDED JUNE 30, 2018

The net loss and comprehensive loss for the period April 1, 2018 to June 30, 2018 was $1,230,185. Net loss per share (basic and diluted) for the quarter was $(0.03) based on weighted average number of common shares outstanding during the quarter of 39,162,242.

Expenses	Three months ended June 30, 2018	January 11, 2018 to June 30, 2018
Acquisition, evaluation and exploration	$685,577	$2,053,305
Share-based compensation	287,464	287,464
Professional fees	117,611	142,611
Management and corporate administrative services	78,199	92,790
Shareholder and investor communications	40,957	51,724
Premises rent	20,377	27,170
	$1,230,185	$2,655,064

In the three month period ended June 30, 2018, there were acquisition and evaluation expenditures of $411,211 and exploration expenditures of $274,366 on the mineral properties. In accordance with the Company's accounting policy for mineral properties, $685,577 was expensed in the second quarter of which $350,000 was non-cash as 3,000,000 common shares were issued with a fair value of $300,000 for the Kennetcook property and 500,000 common shares issued with a fair value of $50,000 for the Alberta Zinc property.

$	For the three months ended June 30, 2018	For the period from January 11, 2018 to March 31, 2018
Darnley Bay Anomaly	176,279	1,500
Darnley Bay Diamond	-	-
Davidson	37,285	139,380
Nak	2,042	-
Clear Lake	-	10,000
Kennetcook	404,245	-
Alberta Zinc	65,726	-
Total expenditures in the period	685,577	150,880
Transfer of mineral properties pursuant to Arrangement		1,216,848
Total mineral property expense	685,577	1,367,728

The Company recorded share-based compensation of $287,464 in the quarter following the granting of 3,000,000 options. (Additional detail in Capital Resources section.)

Management and corporative administrative services ($78,199) include expenses relating to the overall management of the business that are not part of direct mineral properties expenditures. These costs are generally incurred at the corporate office located in Toronto, Ontario. These costs increased in the quarter ended June 30, 2018 as the Company built up its management and exploration team and increased its investor relations activities. The professional fees and shareholder and investor communication expenses increased in the quarter due to the completion of the private placement in April 2018 and the listing of the Company's shares on the Canadian Securities Exchange.

PERIOD FROM INCORPORATION ON JANUARY 11, 2018 TO JUNE 30, 2018

Net loss for the period from incorporation on January 11, 2018 to June 30, 2018 was $2,655,064 or $(0.11) per share (basic and diluted) based on weighted average number of common shares outstanding of 24,202,817.

Expenses

Acquisition, evaluation and exploration expenditures	$2,053,305
Share-based compensation	287,464
Professional fees	142,611
Management and corporate administration services	92,790
Shareholder and investor communications	51,724
Premises rent	27,170
	$2,655,064

In the period from incorporation to June 30, 2018, there was $274,366 spent on exploration of mineral properties and $212,091 on evaluation and acquisition payments, 3,000,000 common shares issued with a fair value of $300,000 for the Kennetcook property and 500,000 common shares issued with a fair value of $50,000 for the Alberta Zinc property for a total of $836,457. On February 23, 2018, the value of mineral properties transferred to the Company through the plan of arrangement was $1,216,848.

	Cumulative from January 11 to June 30, 2018	Exploration Expenses	Evaluation and Acquisition Expenses	
			Cash	Shares
Darnley Bay Anomaly	177,779	172,279	5,500	-
Darnley Bay Diamond	-	-	-	-
Davidson	176,665	-	176,665	-
Nak	2,042	2,042	-	-
Clear Lake	10,000	-	10,000	-
Kennetcook	404,245	99,220	5,025	300,000
Alberta Zinc	65,726	825	14,901	50,000
Total expenditures in the period	$ 836,457	$ 274,366	$ 212,091	$350,000
Transfer of mineral properties	1,216,848			
Total mineral property expense	$ 2,053,305			

LIQUIDITY

The Company will be relying on equity financings to fund its exploration and acquisition activities. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future, other than general market conditions, which are uncertain for junior exploration companies. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs, as well as its continued ability to raise capital.

The financial statements of the Company do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the financial statements. These adjustments could be material.

As part of the Arrangement, the Company received cash of $381,875 to cover its initial funding needs. Cash used by operating activities during the period January 11, 2018 to June 30, 2018 was $670,530 largely due to payments under the Davidson Molybdenum and Kennetcook agreements, exploration expenditures on the Darnley Bay Anomaly and Kennetcook projects and administrative and overhead expenses.

As at June 30, 2018, the other receivables were $154,762 which largely related to GST/HST refund from government taxation authorities ($57,830), due from Pine Point Mining Limited ($74,551) as per the Arrangement, deposit on office premises and miscellaneous receivables of $12,147.

The Company does not have any debt or credit facilities with financial institutions. On the balance sheet, debt of $155,469 consists of unsecured debt, incurred from October 3, 2003 to April 28, 2006 plus accrued interest owing to a former officer of Pine Point Mining Limited (formerly Darnley Bay Resources Limited) which was part of the "Transferred Liabilities" assumed by the Company on February 23, 2018. Payments on the debt were suspended by Pine Point on March 30, 2012.

As at June 30, 2018, the Company had $2,135,447 in cash compared with $295,395 at the end of March 2018. Sources of cash were from the closing of the transaction with Pine Point Mining Limited on February 23, 2018 ($381,385) and net proceeds from private placement ($2,424,100) offset by expenditures on mineral properties and corporate overheads. Cash was held on deposit with a major Canadian chartered bank.

The Company's current funding objective is to support its continuing exploration program, development analyses and fulfill its obligations as agreed upon. Current funding will be used for these purposes plus the general and administrative expenses while additional avenues for funds are sought for continuation of exploration and development. At present, the Company's operations do not generate cash in-flows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. To finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity financings. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control. If the Company is unable to raise sufficient financing, it may need to scale back its intended exploration program and its other expenses.

CAPITAL RESOURCES

The Company relies primarily on equity financing to fund its working capital needs. The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future.

	August 28, 2018	June 30, 2018	March 31, 2018	January 11, 2018
Number of:				
Common shares	45,469,934	45,469,934	15,969,934	1
Warrants	12,884,000	12,884,000	-	-
Stock options	3,000,000	3,000,000	-	-

During the second quarter of 2018, the Company issued 3,000,000 common shares to the vendors of the Kennetcook Property pursuant to the Claims Acquisition Agreement dated March 16, 2018 and issued 500,000 common shares to the vendor of the Alberta Zinc property pursuant to the Option Agreement dated March 10, 2018.

On April 20, 2018, the Company completed a non-brokered private placement through the issuance of 22,550,000 units at a price of $0.10 per unit, and the issuance of 2,450,000 flow-through common shares at a price of $0.10 per flow-through share for aggregate proceeds of $2,500,000. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.20 until April 20, 2020. Cash commissions to finders were paid at 6% of the proceeds raised and finder's warrants were issued representing 6% of the securities purchased. Each finder's warrant entitles the holder to purchase one common share at $0.10 per common share until April 20, 2020.

On April 25, 2018, the Company completed a second tranche of its non-brokered private placement raising additional proceeds of $100,000 through issuance of 500,000 units at a price of $0.10 per unit, and the issuance of 500,000 flow-through common shares at a price of $0.10 per flow-through share. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $0.20 until April 25, 2020. Cash commissions to finders were paid at 6% of the proceeds raised and finder's warrants were issued representing 6% of the securities purchased. Each finder's warrant entitles the holder to purchase one common share at $0.10 per common share until April 25, 2020.

The following table summarizes warrants that have been issued during the second quarter of 2018:

	Number of warrants	Exercise price	Expiry date
Outstanding, January 11, 2018	0		
Warrants issued during the period	11,275,000	$0.20	April 20, 2020
	1,299,000	$0.10	April 20, 2020
	250,000	$0.20	April 25, 2020
	60,000	$0.10	April 25, 2020
Outstanding, June 30, 2018	12,884,000		

The fair value of the warrants issued in the second quarter of 2018 was estimated using the Black-Scholes option pricing model at $943,056 including broker warrants ($108,829) which were included as part for share issue cost. The assumptions used in the model were: risk-free interest rate of 1.93%, expected life of warrants of 2 years, expected annualized volatility based of volatility of comparable companies 180%, dividend rate of 0%. Changes in the subjective input assumptions can materially affect the fair value estimate.

Of the 29,500,000 common shares issued during the second quarter of 2018, 2,950,000 were flow through shares and a flow through share premium liability of $106,767 was recorded.

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the “Plan”). Under the Plan, options are non-assignable and may be granted for a term not exceeding five years. The total number of common shares that may be reserved for issuance may not exceed ten percent of outstanding common shares at the grant date and may not exceed five percent for any one person in any 12-month period. The exercise price of an option may not be lower than the discounted market price of the common shares on the Canadian Securities Exchange. The options are non-transferable. Outstanding options may be adjusted by the Board in certain events, as to exercise price and number of common shares, to prevent dilution or enlargement.

Pursuant to the adoption of the Plan and in accordance with its terms, the Company granted on May 11, 2018 an aggregate of 3,000,000 options to purchase common shares for a price of $0.10 over a period of five years to officers, directors and consultants of the Company. The total value of the options granted was $287,464 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 180% based on the volatility of comparable companies; a risk-free interest rate of 2.2% and an expected average life of 5 years. There were no options that were exercised, expired or cancelled in the period January 11 to June 30, 2018.

RELATED PARTY TRANSACTIONS

Key management of the Company includes its directors, Chief Executive Officer and Chief Financial Officer. Compensation to key management is paid in the form of cash and stock-based compensation.

During the second quarter of 2018, executive management fees of $37,950 were charged by key management of the Company bringing the total from date of incorporation of January 11, 2018 to $46,250.

On March 16, 2018, two directors of the Company acted as vendors in the Claims Acquisition Agreement for the Kennetcook property, through companies under their control. Under the terms of the Claims Acquisition Agreement, each director received 750,000 common shares of the Company.

On May 11, 2018, 400,000 stock options were granted to each director and officer of the Company. The options are exercisable at $0.10 for up to five years. The fair value of 400,000 options is $38,329.

As at June 30, 2018, accounts payable include $40,271 due to the related parties mentioned above compared with $29,299 as at March 31, 2018.

Management believes these transactions are in the normal course of business and are measured at fair value.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

NATURE OF MINERAL EXPLORATION

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries or development of commercial quantities of base metals.

ENVIRONMENTAL RISKS AND HAZARDS

All phases of the Company's mineral exploration operations are subject to environmental regulations pertaining to the Northwest Territories, Yukon, Nova Scotia, Alberta, British Columbia and Canada. 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 Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. The Company 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.

PERMITS, LAWS AND REGULATIONS

Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company 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.

ADDITIONAL FUNDING REQUIREMENTS

The mineral property of the Company is in the exploration and development stage. The Company has no source of operating cash flow and will need to raise additional funds or successfully enter into joint venture arrangements with new partners to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The development of ore deposits which may be found on the exploration property of the Company would depend on the ability of the Company to obtain financing through debt financing, equity financing or other means. If the exploration and development programs of the Company were successful, additional funds would be required to develop the property. The only source of future funds presently available to the Company is the sale of equity capital or the sale of an interest in any of its property in whole or in part. The ability of the Company to arrange such financing in the future would depend in part upon the prevailing capital market conditions, as well as on the business performance of the Company. There can be no assurance that the Company would be successful in its efforts to arrange additional financing if needed on satisfactory terms. If additional financing is raised by the issuance of shares from the treasury of the Corporation, control of the Company may change and shareholders may suffer additional dilution. If adequate financing or joint venture arrangements are not available, the Company may be required to delay, reduce its scope, eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its property and to reduce or terminate its operations.

PRICES FOR MINERAL COMMODITIES

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

TITLE TO PROPERTY

The acquisition of title to resource property is a very detailed and time-consuming process. The Company holds an interest in its property through mining claims, leases and agreements with relevant authorities. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the property in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the property.

DEPENDENCE ON OUTSIDE PARTIES

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development and operating expertise. Substantial expenditures are required to develop the exploration infrastructure at the site, to establish mineral reserves through drilling, and to carry out environmental and social impact assessments. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

CONFLICTS OF INTEREST

A number of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate or that certain directors may have interests in other companies that may be in competition for exploration properties or in other ways, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation or for the acquisition of exploration properties. Further, certain of the directors and officers are involved in other enterprises involved in mineral exploration. As a result, conflicts of interest may arise and officers and directors cannot devote 100% of their time to the Company.

INTERNAL CONTROLS

The Company has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. A control system, no matter how well designed and operated, can provide only reasonable not absolute assurance with respect to the reliability of financial reporting and financial statement preparation.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2018 or as of the date of this report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company’s Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets including the carrying value of mineral property, impact decisions as to when exploration and development costs should be capitalized or expensed and affect estimates for provisions for reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of deferred income tax assets.

MANAGEMENT’S EVALUATION OF DISCLOSURE CONTROLS

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company’s certifying officers. The Company’s Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company’s disclosure controls and procedures as at June 30, 2018 and have concluded that these controls and procedures are effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at June 30, 2018.

FUTURE ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretation Committee that are mandatory for accounting periods beginning after January 1, 2019 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded there from. The Company is in the process of evaluating the impact on its financial statements.

IFRS 16 Leases sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers.

FORWARD LOOKING STATEMENTS

This report may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and operational results. By nature, these risks and uncertainties could cause actual results to differ materially from what has been indicated. 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 from estimates, capital and operating costs varying significantly differs from estimates, delays or failure in obtaining governmental, environmental or other project approvals and other factors including those risks and uncertainties identified above. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information as a result of new information, future results or other such factor that affect this information, except as required by law.