AFTERMATH SILVER LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended November 30, 2017

Containing information up to and including January 29, 2018

Form 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

FOR

Aftermath Silver Ltd.

CONTAINING INFORMATION UP TO AND INCLUDING JANUARY 29, 2018

NOTICE

Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Aftermath Silver Ltd. ("Aftermath" or the "Company") condensed consolidated interim financial statements. The information provided herein should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended November 30, 2017 and 2016, and the audited consolidated financial statements for the years ended May 31, 2017 and 2016. The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

CAUTION REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties;
- the timing of decisions regarding the strategy and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the timing and cost of planned exploration programs of the Company, and the timing of the receipt of results there from;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing and pricing of proposed financings if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval/acceptance of financings;

- the anticipated use of the proceeds from the financings;
- the potential to verify and potentially expand upon the historical resources;
- the potential for the expansion of the known mineralized zones;
- the potential for the amenability of mineralization to respond to proven technologies and methods for recovery of ore;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to negotiate successfully for the acquisition of interests in mineral properties, the determination of applicable governmental agencies not to issue the exploration concessions applied for by the Company or excessive delay by the applicable governmental agencies in connection with any such issuances, the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the prices for precious and base metals;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs;
- conditions in the financial markets generally, and with respect to the prospects for junior exploration gold and precious and base metal companies specifically;
- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favorable terms;
- the Company's ability to attract and retain key staff, and to retain consultants to provide the specialized information and skills involved in understanding the precious and base metal exploration, mining, processing and marketing businesses;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs and the Company's ability to comply with such terms on a cost-effective basis;
- the ongoing relations of the Company with government agencies and regulators and its underlying property vendors/optionees; and
- that the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole.

These forward looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility".

OVERALL PERFORMANCE

The Company is an incorporated exploration stage company involved in the acquisition and exploration of mineral properties.

Highlights of the Company's activities for the six months ended November 30, 2017 and subsequent period up to January 29, 2018 are:

- On September 18, 2017, the Company's shares recommenced trading on the NEX exchange.
- On December 1, 2017, the Company closed a previously-announced non-brokered private placement, issuing 14,000,280 common shares at a price of $0.05 per share, for total gross proceeds of $700,014.

The Company intends to evaluate new prospects and opportunities. The Company expects to obtain financing in the future primarily through further equity, debt financing and/or sale of assets.

SELECTED ANNUAL INFORMATION

	Year ended May 31, 2017	**Year ended May 31, 2016**	**Year ended May 31, 2015**
General and administrative expenses	$ 284,765	$ 200,455	$ 481,308
Geological exploration expenses	Nil	Nil	77,676
Comprehensive Loss for the Year	(280,375)	(188,956)	(1,489,581)
Loss per Share – Basic and Diluted	(0.04)	(0.03)	(0.22)
Total assets	18,825	14,982	15,548
Total long-term financial liabilities	Nil	Nil	Nil

RESULTS OF OPERATIONS

Six months ended November 30, 2017 compared with six months ended November 30, 2016

The Company's comprehensive loss for the six months ended November 30, 2017 totaled $179,471 (2016 - $98,662), a loss of $0.02 (2016 - $0.01) per share.

Total expenses were $179,471 (2016 - $98,662), comprised of the following significant items:

- accounting and legal expense of $78,531 (2016 - $9,000)
- consulting fees paid to related parties of $72,000 (2016 - $72,000);
- listing and filing fees of $6,220 (2016 - $4,010);
- corporate secretarial of $7,500 (2016 - $7,500); and
- office and sundry expenses of $15,171 (2016 - $8,829).

Three months ended November 30, 2017 compared with three months ended November 30, 2016

The following analysis discusses the variations in the Company's quarterly results but, as with most junior mineral exploration companies, the results of operations (including net losses) are not the main factor in establishing the financial health of the Company. Of additional significance are the exploration and evaluation assets in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variations seen over the quarters are primarily a result of the level of activity of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is sometimes seasonal depending on the geographical location of its mineral properties. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options and these are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable. The write-off of exploration and evaluation assets can also have a material effect on quarterly results as and when they occur. General operating costs other than the specific items noted above tend to be quite similar from period to period.

The Company's comprehensive loss for the three months ended November 30, 2017 totaled $133,682 (2016 - $51,916), a loss of $0.02 (2016 - $0.01) per share.

Total expenses were $133,682 (2016 - $52,311), comprised of the following significant items:

- accounting and legal expense of $77,731 (2016 - $9,000)
- consulting fees paid to related parties of $36,000 (2016 - $36,000);
- listing and filing fees of $3,959 (2016 - $1,914);
- corporate secretarial of $3,750 (2016 - $3,750); and
- office and sundry expenses of $10,758 (2016 - $4,414).

Summary of Quarterly Results

	Quarter Ended November 30, 2017	**Quarter Ended August31, 2017**	**Quarter Ended May 31, 2017**	**Quarter Ended February 28, 2017**
Comprehensive Loss	$133,682	$45,789	$112,965	$69,268
Loss per Share (Basic and Diluted)	$0.02	$0.01	$0.02	$0.01
Total Assets	$160,729	$20,257	$18,825	$38,926
Total Long-term Liabilities	Nil	Nil	Nil	Nil
Number of shares outstanding	6,655,099	6,655,099	6,655,099	6,655,099
Cash Dividends Declared	Nil	Nil	Nil	Nil

	Quarter Ended November 30, 2016	**Quarter Ended August 31, 2016**	**Quarter Ended May 31, 2016**	**Quarter Ended February 29, 2016**
Comprehensive Loss	$51,916	$46,226	$56,522	$45,976
Loss per Share (Basic and Diluted)	$0.01	$0.01	$0.01	$0.01
Total Assets	$16,895	$16,250	$14,982	$13,817
Total Long-term Liabilities	Nil	Nil	Nil	Nil
Number of shares outstanding	6,655,099	6,655,099	6,655,099	6,655,099
Cash Dividends Declared	Nil	Nil	Nil	Nil

Liquidity

The Company had a working capital deficiency of $901,047 as at November 30, 2017 (May 31, 2017 - $1,023,090).

Cash used in operating activities during the six months ended November 30, 2017 was $110,286 (2016 - $1,857), including $67,620 cash provided in non-cash working capital (2016 - $96,805).

There were no cash flows from investing activities during the six months ended November 30, 2017 and 2016.

Cash provided by financing activities during the six months ended November 30, 2017 was $261,014 (2016 - $nil), including $305,014 cash received in subscriptions in advance, offset by $44,000 in short-term loan repayments.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits and from successful financing efforts. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company may raise money from equity sales and from optioning out its resource properties. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and development activities. These conditions are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

The condensed consolidated interim financial statements for the six months ended November 30, 2017 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Use of Proceeds

In February 2014, net $941,000 was raised through a non-brokered private placement. The following table sets out a comparison of how the Company used the proceeds following the closing date, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

Intended Use of Proceeds	**Actual Use of Proceeds**
To advance the Company's properties and for general and administrative purposes.	In August 2013, the Company paid US$25,000 under a letter of intent to acquire the San Andres property in Mexico; the acquisition was finalized in February 2014 for additional cash consideration of US$245,000 and the issuance of 10,000,000 common shares (non-cash). In April 2014, the Company commenced its 2014 exploration program on the San Andres property in Mexico. The remaining funds have been spent on generative exploration and evaluation activities, and general operating costs.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones	No material variances are identifiable to the Company. Proceeds have been used as intended and to further exploration of the 40 Mile property while meeting administrative requirements.

Capital Resources

As at November 30, 2017, the Company's share capital was $5,086,006 (May 31, 2017 - $5,089,506) representing 6,655,099 (May 31, 2017 – 6,655,099) issued and outstanding common shares without par value. Share-based payments reserve, including stock-based compensation, was $708,430 (May 31, 2017 - $708,430). Foreign currency translation reserve was $1,084 (May 31, 2017 – $1,084). The deficit was $7,001,581 as at November 30, 2017 (May 31, 2017 - $6,822,110). Accordingly, net assets was a deficiency of $901,047 at November 30, 2017 (May 31, 2017 - $1,023,090).

Contractual obligations

Under the Minera ISP purchase agreement, the Company is required to pay US$500,000 to certain royalty holders on September 30, 2014 in order to exercise the 50% purchase option on the San Andres property; the Company determined during the year ended May 31, 2015 to withdraw from its Mexico activities, therefore this payment will not be made.

EXPLORATION OVERVIEW

San Andres Property

On August 29th, 2013, the Company entered into a binding letter of intent with Minera ISP, S. de R.L. de C.V. and certain of its affiliates including, Inversiones Mineras ISP San Andres, S. de R.L. de C.V., Operaciones Minera ISP San Andres, S. de R.L. de C.V. and Servicios Mineros ISP, S. de R.L. de C.V. (collectively the "Vendors") to acquire 100% of the San Andres de la Sierra mine and processing facilities as well as the exploration land package around the area of historical operations. A definitive agreement was finalized on February 27, 2014 and completed on March 21, 2014, under which the Company completed the acquisition for total consideration of US$260,000 and the issuance of 10,000,000 common shares.

The 5,757 hectare San Andres Property, located in the Sierra Madre Occidental of Durango State, Mexico, reportedly produced 17 million ounces of silver from multiple mines between 1890 and 1915 through the on-site direct smelting of high-grade narrow veins. (*This production figure is from historic Mexican Government Records, has not been independently verified*). Mining ceased due to the Mexican revolution and the San Andres Property lay dormant until the Vendors began work in 2006.

From 2008 to 2012 the Vendors consolidated the land package around the historic operations, drilled 13 short core holes and assembled a 300 tonne per day mill/concentrator and tailings facility at the San Andres Property to process dump material, investing over $6 million in the process. The majority of the San Andres Property has not received modern surface exploration or diamond drilling. In addition to fully functional camp buildings located at site the San Andres Property lies within six km of overhead power and is road accessible.

The Company commissioned a NI43-101 report to be written on the property and followed up the technical review with a phase one exploration program in May 2014.

The goal of the program was to demonstrate that mineralization continued outside of the confines of the historical mine workings on the main production vein, Esperanza, as well as further understand the other related mineralized and less developed veins on the property.

Initial channel sampling focused on the previously un-sampled Level 7 of the Esperanza. The 10 samples (see table) taken along 200 m of exposed strike length of the Esperanza vein averaged 606.23 g/t silver, 0.502 g/t gold, 5.5% lead and 4.4% zinc over an average thickness of 27 cm. These results confirm high grade mineralization at the down-dip limits of the historic Esperanza vein workings and thus present an exploration target for down-dip extensions of the vein.

The sampling was carried out by Aftermath's geological consultants, Vancouver-based Coast Mountain Geological who had previously completed extensive sampling within the historical workings, dumps and backfill but had never sampled the lowest levels of Esperanza prior to the program.

Further sampling of the Esperanza vein was completed in the M10 workings. A total of six samples were taken within the M10 portal workings that have limited extent relative to the Esperanza level 7 development. The six samples averaged 1308 g/t silver, 0.46 g/t gold, 4.15% lead and 3.74% zinc over an average thickness of 27 cm. The M10 workings lie on the boundary of mine development on the up-dip side of the Esperanza vein and represent another significant target for future definition and drilling.

A summary of the results from the sampling program at the San Andres Property is presented in the table below.

Sample No.	**Ag g/t**	**Au g/t**	**Pb %**	**Zn %**	**Width (cm)**	**Description**
A00062101	135.7	**1.450**	0.73	0.50	60	Esperanza Level 2 (vein)
A00062102	359.0	**1.455**	**7.61**	**17.40**	23	Esperanza Level 7 (manto)
A00062103	**1968.1**	**1.851**	**17.90**	**7.47**	15	Esperanza Level 7 (manto)
A00062104	**1154.7**	**0.418**	**7.41**	0.16	30	Esperanza Level 7 (manto)
A00062105	106.1	0.127	0.41	0.83	30	Esperanza Level 7 (manto)
A00062106	**832.2**	0.304	**7.05**	**4.40**	30	Esperanza Level 7 (manto)
A00062107	204.1	0.139	2.00	0.31	30	Esperanza Level 7 (manto)
A00062108	305.3	0.075	2.60	2.14	30	Esperanza Level 7 (manto)
A00062109	**831.5**	0.318	**5.47**	**4.40**	30	Esperanza Level 7 (manto)
A00062110	27.5	0.005	0.29	0.13	30	Esperanza Level 7 (manto)
A00062111	273.7	0.327	**4.29**	**6.88**	20	Esperanza Level 7 (manto)
A00062112	**2741.3**	**0.461**	**11.50**	**3.46**	25	Esperanza M10 (manto)
A00062113	**948.3**	**0.942**	**3.93**	**6.82**	20	Esperanza M10 (manto)
A00062114	**1530.9**	**0.681**	**4.60**	**6.42**	20	Esperanza M10 (manto)
A00062115	**1826.6**	**0.458**	1.43	1.94	36	Esperanza M10 (manto)
A00062116	415.2	0.124	2.03	1.97	32	Esperanza M10 (manto)
A00062117	389.9	0.115	1.43	1.87	31	Esperanza M10 (manto)
A00062118	**1745.0**	0.268	**6.79**	0.02	---	La Calzada (float)
Average	869.6	0.487	5.00	4.16	27	Level 7/M10 samples

The En Medio sampling targeted a shallowly-dipping vein that lies 120 m above the Esperanza structure. Five samples were taken within these workings as well as two dump samples immediately outside the portal. The 5 in-situ samples averaged 2839.9 g/t silver, 2.12 g/t gold, 14.4% lead and 4.92% zinc over an average thickness of 32 cm.

Previous drilling only targeted the En Medio vein in one hole (DDH-3). The intersection pierced the structure 180 metres south-west of the recent sampling, and returned 1,577 g/t silver, 1.61 g/t gold, 10.6% lead and 7.6% zinc over 20 cm. The hole also intersected the upper Tapia Colorada vein returning 806 g/t silver, 0.30 g/t gold, 3.95% lead and 3.78% zinc over 55 cm.

The complete results of the En Medio vein sampling are presented in the table below:

Sample No.	Ag g/t	Au g/t	Pb %	Zn %	Width (cm)	Description
A00062130	**1181.4**	**0.524**	**5.17**	2.70	38	En Medio (vein)
A00062131	**2072.4**	**1.645**	**9.05**	**10.10**	29	En Medio (vein)
A00062132	**4039.5**	**1.041**	**26.40**	0.96	32	En Medio (vein)
A00062133	**3600.3**	**4.721**	**18.60**	**7.05**	28	En Medio (vein)
A00062134	**3305.9**	**2.671**	**12.80**	3.81	34	En Medio (vein)
A00062135	689.0	0.235	2.05	1.66	---	En Medio (dump)
A00062136	**1147.8**	**0.528**	4.77	4.54	---	En Medio (dump)
Average	**2839.9**	**2.120**	**14.40**	4.92	32	5 *In-Situ* Vein Samples

In addition, a number of other workings on the property were sampled and demonstrated that in almost every historic working across the property the vein-hosted mineralization yields significant high grade silver mineralization with associated lead, zinc and gold.

The complete results of the remaining samples from other workings are presented below:

Sample No.	Ag g/t	Au g/t	Pb %	Zn %	Width (cm)	Description
A00062127	386.7	**1.239**	2.32	0.36	10	Mina Colorada (vein)
A00062128	756.3	**1.601**	4.50	0.22	40	Mina Colorada (vein)
A00062129	142.3	**0.539**	0.69	0.04	10	Mina Colorada (vein)
A00062137	268.2	0.029	0.78	0.10	30	Minas Del Alto (vein)
A00062138	**2371.6**	0.263	**8.60**	2.07	40	Minas Del Alto (vein)
A00062139	**>5,000.0**	**0.813**	**23.80**	0.09	30	Minas Del Alto (vein)
A00062140	QAQC standard					
A00062141	554.8	0.076	1.88	0.54	30	Minas Del Alto (vein)
A00062142	588.8	0.074	1.91	0.09	16	Minas Del Alto (vein)
A00062143	**4449.9**	**0.554**	**16.80**	0.06	10	Minas Del Alto (vein)
A00062144	**1033.6**	0.249	2.74	**26.50**	40	Mina Panal (vein)
A00062145	540.2	0.109	3.23	0.08	40	Mina Panal (vein)
A00062146	272.1	0.012	0.25	0.09	10	Veta Capilla (vein)
Average	**1363.7**	0.463	**5.62**	2.52	26	All 12 Samples

The results of which have allowed the Company to plan a 2,000 m drilling program designed to establish inferred resources on the En Medio structure.

On February 13, 2015 the Company announced that after an internal review it was determined advisable given the state of the markets to withdraw from its activities in Mexico. The Company is actively seeking a purchaser for its Mexican subsidiary that owns all the Company's assets in Mexico. Discussions with a number of parties continue at this time although there is no certainty of said discussions culminating in a transaction.

Qualified person and QA/QC

The 2014 field program was performed under the supervision of Rick Kemp P.Geo of Coast Mountain Geological and a Qualified Person as defined by NI 43-101. Mr. Kemp reviewed the field procedures used during the program, and reviewed the technical information in subsequent news from the exploration program.

All samples were tagged, bagged and sealed onsite, with standards and blanks included in the sampling sequence. Chain of custody remained with the Coast Mountain Geological sampling team until delivery to the accredited SGS analytical laboratory facilities in Durango, Mexico.

RISK FACTORS

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

Resource exploration and development is generally a speculative business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital**.**

There are no known reserves on the Company's property. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore. Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even if it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of metal prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Recent market events and conditions: From 2007 and onwards, the U.S. and European credit markets have experienced serious disruption due to a deterioration in the economic climate, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems have led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions caused a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

These unprecedented disruptions in the credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to it or at all.

General economic conditions*:* The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity
- the volatility of precious and base metal prices may impact the Company's future revenues, profits and cash flow
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs
- the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Share Price Volatility: During the past three years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. **As a consequence, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.** Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient financial resources: There is substantial doubt that the Company can continue due to its limited working capital. The Company may not acquire sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

***Mining industry is intensely competitive*:** The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Government regulation: Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

***Environmental restrictions*:** The activities of the Company are subject to environmental regulations by government agencies. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. 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 more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Foreign countries and political risk: All of the mineral properties held by the Company are located in jurisdictions where mineral exploration and mining activities may be affected in varying degrees by political instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws, affecting the Company's business. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Dependence upon others and key personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

Currency fluctuations: The Company presently maintains its accounts in Canadian dollars. Due to the nature of its operations in foreign jurisdictions, the Company also maintains accounts in U.S. dollars. The Company's operations and proposed exploration expenditures in Alaska and Mexico are denominated in U.S. dollars and Mexican pesos, making it subject to foreign currency fluctuations. Such fluctuations are out of its control and may materially adversely affect the Company's financial position and results.

Surface rights and access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners (as with many of the Company's properties), it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to its property.

Title matters: Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Acquisition of mineral concessions under agreements: The agreements pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial resources required to make all payments and complete all expenditure obligations under its all of its various property acquisition agreements over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

***Exploration and mining risks*:** Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on 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 geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

***Regulatory requirements*:** The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, 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, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company’s operations and delays in the exploration and development of the Company’s properties.

Limited experience with development-stage mining operations: The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Uncertainty of resource estimates/reserves: Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for base metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. **The Company has not established the presence of any resources or any proven or probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish any resources or proven or probable reserves at the Company's properties. The failure to establish proven or probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth**.

No assurance of profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company does not anticipate paying dividends in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or uninsurable risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company 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.

***Enforcement of civil liabilities*:** A portion of the assets of the Company and its subsidiaries are located outside of Canada, and it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside of the country.

***The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in the Company's common shares that are U.S. taxpayers*:** Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company believes that it has been in prior years, and expects it will be in the current year be, a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If the Company is or becomes a PFIC, generally any gain recognized on the sale of the Company's common shares and any "excess distributions" (as specifically defined) paid on such common shares must be rateably allocated to each day in a U.S. taxpayer's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of the Company's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if the Company is a PFIC and the Company's common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the common shares.

Due to the extreme complexity of the PFIC rules and the potentially materially adverse consequence to a shareholder that is a U.S. taxpayer of the Company being a PFIC, it is critical that each shareholder that is a U.S. taxpayer consult with that shareholder's U.S. tax adviser before undertaking any transactions in the Company's common shares.

PROPOSED TRANSACTIONS

There are no proposed transactions as at November 30, 2017 and to the date of this MD&A.

OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. As at January 29, 2018, the following common shares, options and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares at January 29, 2018	20,655,379		
Employee Stock Options	47,500 177,500	$2.65 $1.50	July 19, 2021 April 30, 2019
Warrants	Nil		
Fully Diluted at January 29, 2018	20,880,366		

TRANSACTIONS WITH RELATED PARTIES

The Company has entered into certain transactions with related parties during the six months ended November 30, 2017 and to the date of this MD&A. All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Name	Relationship	Purpose of Transaction	Amount*
Michael Williams	Director	Consulting Fees(1)	$36,000
Doug Ramshaw	President and CEO	Consulting Fees	$36,000
Sheryl Elsdon	Corporate Secretary	Corporate Secretary Fees	$7,500
McLeod Williams Capital Corp.	Company partially controlled by a director	Rent, office, and administrative costs	$6,131
Octavian Capital Corp.	Company controlled by a director	Rent, office, administrative, and consulting costs	$4,414

* Does not include share-based payments.

1) Amounts payable to Octavian Capital Corp., a company controlled by Mr. Williams.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at November 30, 2017 and to the date of this MD&A.

COMMITMENTS

The Company does not have any commitments as at November 30, 2017, and to the date of this MD&A.

ACCOUNTING POLICIES AND ESTIMATES

Significant judgments are used in the Company's assessment of its ability to continue as a going concern which is described in note 2 of the condensed consolidated interim financial statements. Significant accounting estimates are used in the determination of fair value and value in use for purposes of the recoverability of the carrying value of mineral properties, determination of reclamation obligations, valuation of share-based payments, and the valuation of deferred income taxes. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Actual results may differ from these estimates.

Impairment

At the end of each reporting period the carrying amounts of the Company's long lived assets, including mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based Payments

The factors affecting share-based payments include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend, among other things, upon a variety of factors including the market value of Company shares and financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with Black-Scholes modeling, however future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the share-based payments and hence, results of operations, there is no impact on the Company's financial condition or liquidity.

New Standards Not Yet Adopted

Standards and interpretations issued but not yet effective applicable to the Company as at the date of this MD&A:

- IFRS 9, Financial Instruments
- IFRS 15, Revenue from Contracts with Customers
- IFRS 16, Leases

The Company is evaluating the impact that this standard will have on the financial statements.

DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the six months ended November 30, 2017, no standard compensation arrangements were made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries.

2. During the six months ended November 30, 2017, directors and officers of the Company were paid (or accrued) certain amounts, directly or indirectly, for their services as directors and officers or in other capacities by the Company and its subsidiaries. Refer to "Transactions with Related Parties".

3. During the six months ended November 30, 2017, the Company did not enter into any arrangements relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.

RECENT DEVELOPMENTS AND OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF CAPITAL

Fair values in the consolidated balance sheet

The carrying amounts reported in the balance sheet for the current financial assets and liabilities, which include cash and accounts payable and accrued liabilities and due to related parties, approximate fair values due to the immediate or short-term maturities of these financial instruments.

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and other receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company manages and limits exposure to credit risk by maintaining its cash with high-credit quality financial institutions. There is minimal credit risk with respect to GST receivable as this amount is recoverable from Canadian governmental agencies. At November 30, 2017, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in note 9 of the condensed consolidated interim financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has no interest bearing financial assets as at November 30, 2017.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of shareholders' equity.

The Company's main risks are associated with fluctuations in the US dollar ("US") and assets and liabilities are translated based on the foreign currency translated method described in note 2(j). The Company does not enter into any foreign exchange hedging contracts. In order to mitigate this risk, the Company maintains a portion of its cash in US dollar denominated bank accounts. As at November 30, 2017, the Company had amounts payable totaling approximately US$26,000. The Company has determined that a 10% increase or decrease in the US dollar against the Canadian dollar on these instruments, as at November 30, 2017, would result in a $3,300 change to profit or loss for the year.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

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

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OFFICERS & DIRECTORS

Doug Ramshaw
Director, President, CEO, Interim CFO

Michael Williams
Chairman and Executive Director

Sheryl Elsdon
Corporate Secretary

Sean Hurd
Director

LISTINGS

NEX: AAG.H

CAPITALIZATION
(as at January 29, 2018)

Shares Authorized: Unlimited
Shares Issued: 20,655,366

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