Cache
Exploration Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Form 51-102F2

For the Year Ended September 30, 2018

DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following management's discussion and analysis is prepared as of January 31, 2019 and should be read together with the consolidated financial statements for the years ended September 30, 2018 and 2017 and the accompanying notes attached thereto which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR.

Description of Business

Cache Exploration Inc. (the "Company") was incorporated by notice of articles and certificate of incorporation under the Business Corporations Act (British Columbia) in October 2005. On June 30, 2011, the shareholders approved a resolution authorizing the Company to complete actions as necessary for the Company to be continued under the Canada Business Corporations Act. In August 2011, the Company received a Certificate of Continuance under the Canada Business Corporations Act.

Since March 1, 2010, the Company has been trading on the TSX Venture Exchange as a Tier 2 mining issuer under the symbol "CAY".

The Company's current business plan is to acquire, explore and develop mineral properties and either develop these properties further, or dispose of them when the evaluation is completed. The Company is in the exploration stage and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The recoverability of any expenditures incurred for the mineral properties is dependent upon the future potential for the existence of economically recoverable reserves, maintaining of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the exploration and development of the properties and upon the potential future profitable production or proceeds from the disposition thereof.

The consolidated financial statements have been prepared on the basis that the Company and its subsidiary will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business.

The appropriateness of using the going concern basis of financial statement preparation is dependent upon, among other things, the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future. These conditions indicate the existence of material uncertainties that cast significant doubt that the Company will be able to continue on a going concern basis. Management currently believes that sufficient working capital may be obtained from public share offerings to meet the Company's liabilities and commitments as they come due.

EXPLORATION PROPERTIES

		Years Ended September 30,		
		2018		2017
Vianey Mining Concessions, Mexico				
Acquisition cost:				
Balance, beginning	$	-	$	100,000
Impairment		-		(100,000)
Balance, ending		-		-
Exploration expenditures:				
Balance, beginning		-		-
Claim expenses		-		6,360
Impairment		-		(6,360)
Balance, ending		-		-
Kiyuk Lake Property, Nunavut				
Acquisition cost:				
Balance, beginning		240,000		-
Additions - cash		-		200,000
Additions - shares		210,000		40,000
Balance, ending		450,000		240,000
Exploration expenditures:				
Balance, beginning		967,609		-
Analysis and sample storage		-		14,557
Claim fees		11,243		-
Consultants		64,235		34,242
Field expenses - labour		-		145,056
Field expenses - other		1,250		271,975
Management fee		-		14,945
Travel and accommodation		-		486,834
Balance, ending		1,044,337		967,609
Deep Lake Cobalt Property, New Brunswick				
Acquisition cost:				
Balance, beginning		-		-
Additions - shares		32,000		-
Balance, ending		32,000		-
Total exploration and evaluation assets	**$**	**1,526,337**	**$**	**1,207,609**

Vianey Mining Concessions

On July 15, 2016, the Company entered into an option agreement (the "Agreement") to acquire a 100% interest in the Vianey Mining Concessions (the "Property") located in Guerrero State, Mexico. Pursuant to the Agreement, in order for the Company to exercise its option it must make cash payments to the optionor of $300,000 and incur exploration work of not less than $250,000 by July 15, 2018. The cash payments to the optionor are to be paid as follows:

- $100,000 on or before July 31, 2016 (paid);
- $100,000 on or before July 15, 2017; and
- $100,000 on or before July 15, 2018.

The Property is subject to a 2% Net Smelter Royalty ("NSR"). The Company may purchase 1% of the NSR for a cash payment of $1,000,000.

During the year ended September 30, 2017, the Company failed to make the payment due July 15, 2017 and the Agreement was terminated. The Company recorded an impairment expense of $106,360.

Kiyuk Lake Property

Effective February 28, 2017 (the "Closing Date"), the Company signed a property option agreement with Montego Resources Inc. to acquire a 100% interest in and to a series of mineral claims and leases located in Nunavut commonly referred to as the Kiyuk Lake Property (the "Property").

Terms to Acquire 100% interest in the Property:

- $200,000 payable on the Closing Date (paid);
- $200,000 payable on or before 6 months after the Closing Date (settled in shares); and
- $100,000 payable on or before 12 months after the Closing Date (settled in shares).

The optionor has agreed to settle the balance of the payments ($300,000) for 3,000,000 shares. On January 26, 2018, the Company issued 3,000,000 common shares at a fair value of $210,000.

The Company paid a finder 307,692 common shares with a fair value of $40,000 which have been included in acquisition costs.

The Property is subject to a 2% NSR to the original owner.

Kiyuk Lake Property Highlights:

- A true district play covering a majority proportion of the Proterozoic Kiyuk Basin
- 12,000 meter drill database: 2008-2013
- Gold Showings over a 15 Km Strike Length
- Multiple Gold Intercepts over 1g/t
- Four Discrete Mineralized Zones (Rusty, Gold Point, Cobalt, Amundsen)
- Significant expansion possible with five new target areas identified and ready for drilling

The Company is currently focused on its newly acquired Kiyuk Lake Property in Nunavut.

On August 23, 2017, the Company completed drill holes KI17-001 and KI17-002 to a combined length of 496 metres as part of its summer drill program at Kiyuk Lake, Nunavut. Both holes were drilled in the Rusty zone which has returned numerous assay results above 3.3 grams per tonne gold.

A total of 100 samples from KI17-001 were shipped to the SGS Canada Inc. in Red Lake for gold analysis. In addition, 100 till samples from grid sampling at Kiyuk North were shipped for analysis to Bureau Veritas in Vancouver.

Visible gold (VG) has been observed, in drill core, from detailed logging of hole KI17-005 at the Company's new East Gold Point target area. The 5-hole program has been successful in defining VG in a previously unrecognized structural host (please see news release dated August 31, 2017) and now in two newly intersected polymictic conglomerate settings at East Gold Point. East Gold Point is located about five kilometres from the 26.4 g/t Au VG and finely mineralized intercept over eight metres reported previously for the Rusty zone.

On October 26, 2017, the Company has provided the complete assay results of the 2017 summer drill program at its 100% owned Kiyuk Lake Project in Nunavut.

Significant release highlights:

- KI17-004 at Rusty zone returned 122 metres at 1.8 grams per tonne (g/t) gold from 188 m down hole in the Rusty zone.
- KI17-005 at newly discovered East Gold Point Zone intersected:
    - 64 m at 1.5 g/t gold from 35 m; and
    - 10 m of 6.5 g/t gold from 248 m.
- Prospecting samples returned:
    - 5.57 g/t gold from west of the Rusty zone; and
    - 5.60 g/t gold grab sample from north of Kiyuk Lake and 1.1 km from the newly identified Nansen target area.

Deep Lake Cobalt Property

On January 30, 2018, the Company has signed a Purchase Agreement to acquire a 100% interest in the Deep Lake Cobalt Property, located near Saint John, New Brunswick. The Company is planning an aggressive exploration program to investigate cobalt and gold targets as soon as weather permits. The historic cobalt showing area reported by Shell 1981 area was visited in 2017 and is overgrown and collapsed with overburden. Hand trenching and pitting is planned to expose the showing. The high sulphide mineralization should respond favorably to EM (Electro-magnetic) geophysics, and the Company is investigating airborne surveys that could be completed during the quarter.

Deep Lake Cobalt Property Highlights:

Geological description:

- The Property hosts a cobalt-bearing sulphide vein showing sampled by Shell Canada in 1981 (assessment report No. 472786).
- Mineralization was observed on the banks of a small creek that drains into Deep Lake. The showing was hand trenched and exposed for three to four metres, along an east-southeast strike. The cobalt showing is hosted in Silurian metasediment units, close to intrusive Devonian granites.

Sampled values:

- 0.60% Co (cobalt) over widths of 0.25 metre to 0.51 m;
- Grab samples of 0.95% Co and 1.18% Co.

Property description:

- Five licences over about 10 square kilometres;
- Located 25 kilometres west of Saint John, N.B.

Excellent property access:

- Eastern portion of Property cut by Highway No. 7;
- Central and western portions of the Property are accessible by well-maintained logging roads.

Soil geochemistry:

- Due to limited outcrop exposure, Shell 1981 completed a soil geochemical survey over the area west of Deep Lake. Scattered cobalt soil anomalies were noted and the peak values were 22 and 27 parts per million (ppm) Co (total samples were 365).
- A 1989 exploration program completed by Lombard Cons. Res. Ltd. with a focus on gold mineralization, returned multiple cobalt soil anomalies east of Deep Lake, with elevated values in soil of 34, 38 and 63 ppm Co (total samples were 1,835).
- A discrete, strongly anomalous, linear cobalt soil anomaly extends for over 1,500 metres east of Deep Lake.
- Gold-in-soil geochemistry - Lombard Cons. Res. 1989 soil survey also returned numerous gold in soil anomalies, with values up to 1.21 parts per million (grams per tonne Au). Gold targets will be a secondary focus on the Deep Lake Property.

On May 2, 2018, the TSX Venture Exchange has approved the Company's purchase of a 100% interest in the Deep Lake Project located near Saint John, New Brunswick, in consideration the Company issued of 800,000 common shares to Horizon Cobalt Corp. valued at $32,000.

Titles to Properties

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mining properties. The Company has investigated title to all of its mineral properties, and to the best of its knowledge, title to its properties are in good standing.

OUTLOOK

The Company is pleased with the results to date from its exploration programs. However, any future work will require additional funding in what continues to be a very difficult market for funding junior exploration companies.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for each of the Company's last three fiscal years. The information set forth below should be read in conjunction with the audited consolidated financial statements, prepared in accordance with IFRS, and accompanying notes thereto.

Years Ended September 30,	**2018** **$**	**2017** **$**	**2016** **$**
Revenue	Nil	Nil	Nil
Operating loss	(978,757)	(1,829,397)	(150,147)
Net loss	(969,740)	(1,935,757)	(150,147)
Basic and diluted loss per share	(0.02)	(0.05)	(0.01)
Total assets	1,769,790	1,697,818	106,653

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected consolidated financial information for each of the eight most recently completed quarters:

Quarters Ended	**Revenue** **$**	**Net loss** **$**	**Loss per share** **$**
September 30, 2018	Nil	(364,664)	(0.01)
June 30, 2018	Nil	(258,262)	(0.00)
March 31, 2018	Nil	(220,457)	(0.00)
December 31, 2017	Nil	(126,357)	(0.00)
September 30, 2017	Nil	(1,634,574)	(0.04)
June 30, 2017	Nil	(171,651)	(0.01)
March 31, 2017	Nil	(85,283)	(0.00)
December 31, 2016	Nil	(44,249)	(0.00)

Results for the three months ended September 30, 2018

For the three months ending September 30, 2018, net loss was $364,664 (2017 - $1,634,574). The difference is attributed to decrease in management and consulting fees of $313,335 (2017 - $1,085,341), investor and public relations of $2,080 (2017 - $14,903), professional fees of $5,999 (2017 - $10,000), regulatory and listing fees of $3,004 (2017 - $19,206), rent and administration expenses of $10,912 (2017 - $17,477), salaries and wages of $Nil (2017 - $850), and travel expense of $5,904 (2017 - $7,734), share-based compensation of $14,715 (2017 - $284,971) and office and miscellaneous of $17,732 (2017 - $21,593). The Company also incurred lower exploration and evaluation expenditures of $Nil (2017 - $100,000) and recognized settlement of flow-through liability of $9,017 (2017 - $Nil). The overall decrease in net loss was due to a significant decrease in cost incurred for management and consulting. The Company incurred higher fees during the same period of the previous fiscal year which related mainly to asset acquisition and business financings.

Basic and diluted loss per share was $0.01 in the three months ended September 30, 2018 compared to a basic and diluted loss of $0.04 in the same period ending September 30, 2017.

Results for the year ended September 30, 2018

For the year ended September 30, 2018, net loss was $969,740 (2017 - $1,935,757). The difference is attributed to decrease in management and consulting fees of $793,679 (2017 - $1,250,723), share-based compensation of $14,715 (2017 - $284,971), professional fees of $22,320 (2017 - $91,884), regulatory and listing fees of $18,537 (2017 - $36,702), rent and administration expenses of $25,807 (2017 - $29,473), salaries and wages of $Nil (2017 - $3,570), and recovery of financing costs of $47,500 (2017 - costs of $72,500). The Company also incurred lower exploration and evaluation expenditures of $Nil (2017 - $106,360) and recognized settlement of flow-through liability of $9,017 (2017 - $Nil). The decrease in most of the Company's expenses was offset by the increase in investor and public relations of $99,857 (2017 - $27,959), travel expense of $14,684 (2017 - $7,734) and office and miscellaneous of $36,658 (2017 - $23,881). The overall decrease in net loss was due to significant decrease in cost incurred for management and consulting. The Company incurred higher fees in the previous fiscal year which related mainly to asset acquisition and business financings.

Basic and diluted loss per share was $0.02 in the year ended September 30, 2018 compared to a basic and diluted loss per common share of $0.05 for the same year ended September 30, 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company's mineral exploration activities have been funded to date primarily through the issuance of common shares, and the Company expects that it will continue to attempt to utilize this source of financing until it develops potential cash flow from any future mining operations. 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. 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.

As at September 30, 2018, the Company had liquid assets consisting of cash of $Nil (2017 - $4,359), accounts receivable of $201,468 (2017 - $103,873) and prepaid expenses of $32,895 (2017 - $381,977). Management believes that the Company will have sufficient funds to meet its liabilities as they become due.

During the year ended September 30, 2018, net cash used in operating activities was $464,330 (2017 - $1,529,752) comprising of net loss for the year of $969,740 (2017 - $1,935,757), finance costs recovery of $50,000 (2017 - costs of $72,500), share-based compensation of $14,715 (2017 - $284,971), settlement of flow-through liability of $9,017 (2017 - $Nil), decrease in accounts receivable of $16,085 (2017 - increase of $99,615), decrease in prepaid expenses of $380,932 (2017 - increase of $199,587), and increase in accounts payable and accrued liabilities of $152,695 (2017 - $241,376).

Net cash used in investing activities for the year ended September 30, 2018 was $108,668 (2017 - $1,356,359) attributed to the exploration and evaluation assets expenditures and advance.

Net cash from financing activities for year ended September 30, 2018 was $568,639 (2017 - $2,888,075) consisting primarily of proceeds from issuance of shares and bank indebtedness, offset by loan repayment.

TRANSACTIONS WITH RELATED PARTIES

During the years ended September 30, 2018 and 2017, the Company incurred the expenses to related parties as follows:

- $138,360 rent, management and consulting fees (2017 - $161,000) to the CEO of the Company;
- $43,900 in consulting fees (2017 - $Nil) to the directors of the Company;
- $Nil management fees (2017 - $84,775) to companies controlled by former director of the Company; and
- $Nil accounting, management and consulting fees (2017 - $13,800) to a company controlled by former CFO.

As at September 30, 2018, the Company has $141,730 (2017 - $35,874) included in accounts payable were owed to directors and officers the Company.

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 to by the related parties.

MANAGEMENT CHANGES

On February 6, 2017, Chris Pennimpede was appointed as a director of the Company.

Effective April 12, 2017, Robert Bick has resigned as a director of the Company.

On May 12, 2017, Dean Pekeski was appointed as a director of the Company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods if the revision affects both current and future periods.

Significant Estimates and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the fair value of measurements of financial instruments, the fair value of warrants granted and the recoverability and measurement of deferred tax assets.

Significant Judgments

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and the classification of financial instruments.

Accounting standards issued and adopted during the year

IFRS 9 - *Financial Instruments*

The Company adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of October 1, 2017. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss. As the Company has no equity securities classified as fair value through profit and loss, the change had no impact on the Company's consolidated financial statements.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at October 1, 2017. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/ liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. IFRS 15 establishes a single five-step model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. As the Company has no revenue, no impact on the Company's consolidated

financial statements is expected.
Accounting standards issued but not yet applied

IFRS 16 - *Leases*

IFRS 16 will replace IAS 17 *Leases*. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted. IFRS 16 will result in an increase in assets and liabilities as fewer lease payments will be expensed. The Company does not expect a significant impact from adopting this standard.

FINANCIAL RISK FACTORS

Capital Risk Management

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and development of exploration properties. The Company manages its capital structure in a manner that provides sufficient funding for operational activities.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will be required to spend its existing working capital and to raise additional amounts as needed.

Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to raise additional equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2018.

Financial Risk Factors

The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below. There were no changes in the risks, objectives, policies and procedures from the previous year.

Credit Risk Management

Credit risk relating to cash and receivables arises from the possibility that a counterparty to an instrument fails to perform. Management believes that credit risk is minimal.

Liquidity Risk

The Company budgets on an ongoing basis to determine the amount of funds required to support the Company's operations and planned exploration activities. The Company ensures there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. At September 30, 2018, the Company has a working capital deficiency of $240,452. The Company may not have sufficient funds to meet its current liabilities as they become due.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's cash balances earn interest at fixed rates over the next three to twelve months. It is management's opinion that the Company is not exposed to significant interest rate risk.

Fair Value

The carrying value of the Company's financial instruments approximate their fair value due to their short term until maturity.

The following is an analysis of the Company's financial assets, which are measured at fair value, as at September 30, 2018 and 2017:

	As at September 30, 2018			As at September 30, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	$	$	$	$	$	$
Cash	Nil	-	-	4,359	-	-

OUTSTANDING SHARE DATA

a) Authorized capital: Unlimited number of common shares without par value

b) Issued and outstanding:

	Number of shares
Balance as at September 30, 2017	**42,566,736**
Shares issued on January 16, 2018	9,232,500
Shares issued on January 26, 2018	3,000,000
Shares issued on February 14, 2018	2,000,000
Shares issued on May 2, 2018	800,000
Shares issued on July 12, 2018	2,000,000
Shares issued on September 12, 2018	1,150,000
Balance as at September 30, 2018	**60,749,236**
Shares issued on November 2, 2018	1,550,000
Balance as at document date	**62,299,236**

c) Outstanding warrants:

Expiry Date	Exercise Price	Issued	Exercised as of September 30, 2017	Balance, September 30, 2017	Issued	Balance, September 30, 2018 and document date
March 3, 2019	$0.15	1,423,500	(250,000)	1,173,500	-	1,173,500
September 25, 2019	$0.25	6,250,000	-	6,250,000	-	6,250,000
January 16, 2020	$0.10	-	-	-	9,232,500	9,232,500
Total		7,673,500	(250,000)	7,423,500	9,232,500	16,656,000

As at September 30, 2018, the weighted-average remaining contractual life of warrants outstanding was 1.12 years.

d) Outstanding incentive stock options:

Expiry Date	Exercise Price	Outstanding at September 30, 2017	Granted	Exercised	Outstanding at September 30, 2018	Granted	Exercised	Outstanding at document date
January 17, 2022	$0.10	900,000	-	-	900,000	-	-	900,000
May 12, 2022	$0.20	250,000	-	-	250,000	-	-	250,000
February 13, 2023	$0.06	-	2,000,000	(2,000,000)	-	-	-	-
July 10, 2020	$0.05	-	2,500,000	(2,000,000)	500,000	-	-	500,000
September 10, 2020	$0.05	-	1,150,000	(1,150,000)	-	-	-	-
November 1, 2020	$0.05	-	-	-	-	1,550,000	(1,550,000)	-
		1,150,000	5,650,000	(5,150,000)	1,650,000	1,550,000	(1,550,000)	1,650,000

All options outstanding at September 30, 2018 are exercisable. As at September 30, 2018, the weighted-average remaining contractual life of options outstanding was 2.89 years.

RISKS AND UNCERTAINTIES

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, 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 favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company, with the possible dilution or loss of such interests.

INTERNAL FINANCIAL CONTROLS

Venture issuers, as defined in National Instrument 52-109 ("NI 52-109"), are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings. In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement internal controls over financial reporting and disclosure controls and procedures on a cost-effective basis.

SUBSEQUENT EVENT

On October 18, 2018, the Company is actively evaluating opportunities in the legal cannabis space as an effective means to enhance shareholder value at a time when mineral prices and investment are languishing. The Company is evaluating investments involved with the legal cannabis industry - cannabis growing facilities, extraction, processing, cannabis-infused products and dispensaries (retail and e-commerce) - for both medical and recreational use. As of this date, the Company does not have any agreement, understanding or otherwise, with respect to any investment in any cannabis operation. Such agreement, if agreed, will be subject to exchange approval.

FORWARD-LOOKING STATEMENTS

In addition to historical information, the Management's Discussion and Analysis ("MD&A") may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements.

OFFICERS AND DIRECTORS

Officers and Directors
Jack Bal - Chief Executive Officer, Director
Ian Graham - Chief Financial Officer, Director
Dean Pekeski - Director
Chris Pennimpede - Director

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