This management discussion and analysis ("MD&A") has been prepared based on information available to Mammoth Resources Corp. ("Mammoth" or the "Company") as at December 30, 2018. The MD&A of the operating results and financial condition of the Company for the three and nine months ended October 31, 2018, should be read in conjunction with the Company's condensed consolidated interim financial statements (the "Financial Statements") and the related notes for the three and nine months ended October 31, 2018, and the Company's audited financial statements for the year ended January 31, 2018, prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at nine.sedar.com or on the Company's website at nine.mammothresources.ca.

Business Overview and Overall Performance

Business overview

The Company was incorporated under the provisions of the *Business Corporations* Act (British Columbia) on January 7, 2011. The head office of the Company is located at 410-150 York Street, Toronto, Ontario, Canada, M5H 3S5. The registered and records office of the Company is located at 10th Floor, 595 Howe St., Vancouver BC V6C 2T5. The Company's common shares trade on the TSX Venture Exchange under the symbol MTH.

The Company is a mineral exploration company focused on acquiring and defining precious metal resources in Mexico and other attractive mining friendly jurisdictions in the Americas. The Company has an option to acquire 100%, of which it has earned 66 2/3%, of the Tenoriba Property located in the Sierra Madre Precious Metal Belt in southwestern Chihuahua State, Mexico. The Company continues to seek other option agreements in the Americas on other properties it deems to host above average potential for economic concentrations of precious metals mineralization.

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities, other than in the normal course of business, and at amounts that may differ from those shown in the Financial Statements.

For the nine months ended October 31, 2018, the Company incurred a net loss of $158,536 (October 31, 2017 - $189,064), used cash from operations of $278,499 (October 31, 2017 - $138,983), and as at October 31, 2018, had an accumulated deficit of $2,672,412 (January 31, 2018 - $2,518,683) and a working capital deficit of $673,797 (January 31, 2018 - $281,737). The current liabilities consist of accounts payable and accrued liabilities, due to related parties, interest payable and a loan from an officer, with an aggregate amount of $718,443. The Company is primarily reliant on the raising of equity capital to fund its activities. The Company has delayed returning to the equity capital markets to seek such capital while its share price weakened, together with many other mineral exploration companies. The cause of the weakness, is in part due to a declining gold price together with other US dollar denominated commodities amidst a strengthening US dollar and rising US interest rates. As a result of the potential dilution to shareholder value an equity raise would entail in recent months, the Company has chosen to rely on the willingness of the directors, officers, shareholders and/or creditors to meet funding requirements, together with efforts to pursue other means to finance its operations.

The Company does not have sufficient cash to fund its long-term operations. Therefore, the ability to continue as a going concern in the near-term relies solely on the willingness of the directors, officers, shareholders and/or creditors to meet funding requirements, in the absence of the completion of a further financing or a strategic transaction.

In addition, the business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations; or the ability of the Company to raise financing; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to continue as a going concern. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Highlights

- On March 30, 2017, the Company completed a non-brokered private placement of 2,825,000 units at $0.08 per unit for gross proceeds of $226,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one common share of the Company at an exercise price of $0.12 until September 20, 2018.

- On June 21, 2017, the Company settled an aggregate amount of debt to related parties in the amount of $188,122 by issuing 1,865,412 common shares of the Company, at a price of $0.08 and a value of $149,233, resulting in a gain on settlement of amounts due to related parties totalling $38,889.

- On September 21, 2017, the Company announced final results from its earlier announced surface exploration program, which was included mechanical trenching and channel sampling, construction of access to facilitate drilling in addition to some in-fill mapping and sampling on the recently announced PIMA geochemical sampling program.

- On November 22, 2017, Mammoth announced mobilization of diamond drill equipment to the Tenoriba project.

- On December 14, 2017, the Company completed a non-brokered a private placement of 8,000,000 units at $0.09 per unit for gross proceeds of $720,000, with each unit consisting of a common share and a warrant exercisable at $0.13 until June 14, 2019. Mammoth also announced commencement of diamond drilling at its Tenoriba project consisting of up to 3,000 metres in as many as 24 drill holes with the goal to test gold-silver mineralization below areas of surface mineralization.

- In December 2017, the Company commenced a diamond drill program on its Tenoriba Property consisting of up to 3,000 metres in as many as 24 drill holes with the goal to test gold-silver mineralization below areas of surface mineralization.

- From January 22, 2018 through April 26, 2018, including announcements on March 1 and April 12, 2018, Mammoth reported results from the diamond drill program at Tenoriba. Results are summarized in the Tenoriba Project Activities Section of the MD&A with some of the highest grade intersections including:
  - **5.9 metres** (m) grading **3.51 grams per tonne** (g/t) gold equivalent (gold Eq), in hole **TEN 17-01**;
  - **7.2 m** grading **4.34 g/t gold Eq**, including **3.59% copper**, in hole **TEN 17-03** and;
  - **5.5 m** grading **4.99 g/t gold Eq** in hole **TEN 17-05**.
  - The **longest potentially economical intersection** included: **126.8 m** grading **0.52 g/t gold Eq** in hole **TEN 17-06**, including **58.2 m** grading **0.8 g/t gold Eq**.

- On December 17, 2018, the Company signed a 7 year option agreement on the Tenoriba Project with Minera Centerra S.A De C.V. ("Centerra") (a subsidiary of Centerra Gold Inc.), whereby Centerra can earn a 71% interest over 7 years as described below.

Tenoriba Project, Mexico

On July 3, 2012, the Company signed a definitive agreement to option the Tenoriba gold and silver project located in southwestern Chihuahua State, Mexico (the "Agreement"). Tenoriba is comprised of three concessions, Mapy, Mapy2, Mapy3 (collectively the "Mapy Concessions") and Fernanda, covering a land package of 5,330 hectares.

On October 3, 2012 the Company, through its Mexican subsidiary registered the Mapy3 concession comprising 1,849.6 hectares and located directly east of the Mapy and Mapy2 concessions. On February 18, 2018 the Company received confirmation of title from the Direccion General de Minas (mining department of the Mexican government) acknowledging title to the Mapy3 concession. The Company is 100% holder of this concession and is now part of the Tenoriba Project.

The terms of the original Agreement permit the Company to acquire 100% of the Tenoriba property. The Agreement also allows for a 2% Net Smelter Return royalty payable to the vendors upon commercial production. The royalty can be purchased by the Company at any time within three months from commencement of commercial production for US$1,500,000.

On March 12, 2015, the Agreement was amended (the "Amended Agreement") to provide for the following payments:

'Fernanda' Concession Option Details

Pursuant to the Agreement, the Company has issued 50,000 common shares and made cash payments of US$35,000 as follows:

1. 12,500 common shares and USD$5,000 on or before December 30, 2012 (issued and paid);
2. 12,500 common shares and USD$5,000 on or before June 30, 2013 (issued and paid);
3. 12,500 common shares and USD$12,500 on or before December 30, 2013 (issued and paid); and
4. 12,500 common shares and USD$12,500 on or before June 30, 2014 (issued and paid).

Pursuant to the Amended Agreement, the Company issued 91,394 common shares and was to make cash payments of US$62,500 as follows:

1. 35,144 common shares on or before December 30, 2015 (issued);
2. 12,500 common shares (issued) and US$12,500 on or before June 30, 2016;
3. 12,500 common shares (issued) and US$12,500 on or before December 30, 2016;
4. 15,625 common shares (issued) and US$18,750 on or before June 30, 2017; and
5. 15,625 common shares (issued) and US$18,750 on or before December 30, 2017.

(Expressed in Canadian Dollars)

Pursuant to the Second Amended Agreement, which supersedes the cash payments outlined in the Amended Agreement, the Company will make cash payments of US$64,000 and if the aggregate market value of the Company's common shares exceeds $5 million over a 30 day period or a change of control in the Company occurred, the payments will be accelerated as follows:

Date of payment	Amount US$	Accelerated amount US$
December 30, 2016 (paid)	5,500	11,000
June 30, 2017 (paid)	5,500	11,000
December 30, 2017 (paid)	10,000	20,000
June 30, 2018 (paid)	10,000	22,000
December 31, 2018 (paid)	10,000	-
June 30, 2019	10,000	-
December 31, 2019	13,000	-
	64,000	64,000

The Company will earn a 100% interest in the Fernanda concession upon the completion of the obligations above.

<u>'Mapy' Concessions Option Details</u>
Pursuant to the Agreement, the Company issued 37,500 common shares as follows:

1. 18,750 common shares on or before December 30, 2013 (issued); and
2. 18,750 common shares on or before June 30, 2014 (issued).

Pursuant to the Amended Agreement, the Company would issue 116,394 common shares and make cash payments of US$62,500 as follows:

1. 35,144 common shares on or before December 30, 2015 (issued);
2. 18,750 common shares (issued) and USD$12,500 on or before June 30, 2016;
3. 18,750 common shares (issued) and USD$12,500 on or before December 30, 2016;
4. 21,875 common shares (issued) and USD$18,750 on or before June 30, 2017; and
5. 21,875 common shares (9,285 shares issued) and USD$18,750 on or before December 30, 2017.

Pursuant to the Second Amended Agreement, which supersedes the cash payments outlined in the Amended Agreement, the Company will make cash payments of US$20,838 and if the aggregate market value of the Company's common shares exceeds $5 million over a 30 day period or a change of control in the Company occurred, the payments will be accelerated as follows:

Date of payment	Amount US$	Accelerated amount US$
December 31, 2016 (paid)	2,000	4,838
June 30, 2017 (paid)	2,000	4,000
December 30, 2017 (paid)	3,838	6,000
June 30, 2018 (paid)	3,000	6,000
December 31, 2018 (paid)	3,000	-
June 30, 2019	3,000	-
December 31, 2019	4,000	-
	20,838	20,838

(Expressed in Canadian Dollars)

In addition, the Company issued 175,090 common shares to the vendors as part of the Second Amended Agreement, which earned the Company a 66 2/3% interest in the Mapy Concessions, which is subject to the transfer of title. The balance of the interest (33 1/3%) will be earned upon completion of the obligations above.

On June 6, 2018, the Company issued 12,525 common shares to a vendor in final satisfaction of its 66 2/3% interest in the Mapy Concessions.

Centerra Option Details
On December 17, 2018, the Company signed an option agreement with Minera Centerra S.A De C.V. ("Centerra") (a subsidiary of Centera Gold Inc.) whereby the Company has granted Centerra the right to acquire an initial 51% interested in the Tenoriba Project by completing the following:

Making annual rental payments to the Company to cover its annual cash payments as noted above:

Date	Amount $
December 17, 2018	50,000
December 17, 2019	60,000
December 17, 2020	70,000
December 17, 2021	80,000
December 17, 2022	90,000

And incurring exploration expenditures on the Project totaling $5,000,000 over 4 years:

Cumulative expenditures by	Amount $
December 17, 2019	500,000
December 17, 2020	1,500,000
December 17, 2021	3,000,000
December 17, 2022	5,000,000

Centerra will have the right to earn an additional 19% (total 70%) after the fourth year and any time before the end of the seventh year, by incurring an additional $4 million in exploration expenditures, completing a preliminary economic assessment on the Tenoriba Project, including a mineral resource estimate and making a cash payment to the Company of $550,000.

Project activities
Mammoth acquired under an option agreement on July 3, 2012 the Tenoriba project in southwestern Chihuahua State, Mexico. From October 18, 2012 to as recent as April 26, 2018, the Company has continued to report results from surface exploration activities at Tenoriba, including; mapping and chip channel sampling, geochemical and geophysical studies and preliminary metallurgical testing. On February 20, 2014, the Company posted on its web-site an in-house, non 43-101 compliant technical report (was written by the Company's qualified person, versus an independent qualified third party) summarizing all known historical work performed on the property and all work performed by Mammoth until the end of 2013. The report recommends drilling geophysical targets and continuing metallurgical testing of precious metal enriched cyanide leachable material on the property.

On February 20, 2014, the Company announced its highest to date sample assaying 73.4 g/t gold from its outcrop sampling program at Tenoriba together with numerous additional samples which assay greater than 1.0 g/t within a detailed mapping and sampling program located at the Los Carneritos target area.

On April 9, 2014, the Company announced that it posted on its web-site the complete geophysics report, including various surface plans and geophysical survey cross sections from the Induced Polarization and Magnetic ground geophysics survey covering approximately one third of the large 15 square kilometre target area of gold-silver mineralization at Tenoriba. Mammoth also reported that the coincidence of geophysical targets below surface area with good assay results coupled with recommendations for drilling these targets in the report led the Company to advance the permitting process for drill testing these targets.

On April 16, 2014, the Company announced that it confirmed the position of 14 drill holes to test the depth extent of numerous geophysical features below attractive surface geology at Tenoriba.

On November 5, 2014, the Company announced that it has received a permit to drill the Tenoriba property. The permit allows the Company drill up to 20 drill holes under an "Informe Preventivo" or "Aviso de Inicio de Actividades de Proyectos de Exploracion Minera Directa" (NOM-120-ECOL-1997) and was submitted to the SEMARNAT (Secretariaria de Medio Ambiente nine Recursos Naturales) office in Chihuahua, Mexico.

On October 18, 2016, the Company announced the recommencement of exploration activities at Tenoriba after a two-year hiatus due to the weak investment climate in the industry and the challenges to raising equity capital accretive for exploration, project activities including systematic PIMA sampling, mapping and analysis.

On October 24, 2016, the Company announced amendments to its option agreement on Tenoriba whereby future option payments were reduced by US$41,662 and that US$84,837 of the remaining payments that had been due from June 30, 2016 through December 31, 2017 had been postponed to December 31, 2016 through December 31, 2019.

On November 29, 2016, the Company announced a four-year extension to its drill permit at the Tenoriba property and on January 26, 2017, the Company announced results from its systematic PIMA program and intent to perform a follow-up infill program, road construction and trenching programs to commence in the first half of 2017.

On June 14, 2017, the Company announced initial results from its surface channel sampling program from channels El Moreno 1, and Carneritos 1 and 2 and on July 31, 2017, the Company announced the completion of this program with 14 channel sample lines having been completed and that the infill PIMA sampling program had been completed over the Cerro Colorado target area.

(Expressed in Canadian Dollars)

On August 8, 2017, the Company announced results from El Moreno channels 2, 3 and 4 and Masuparia channel 1. On August 22, 2017, the Company announced results from Masuparia channels 2 and 3 and Carneritos channels 4 and 5. On September 21, 2017, the Company announced results from the final channel sample at Cerro Colorado and provided the following table which summarized all surface trench results from this program.

Location	**Sample Numbers**	**Channel Width** (m)	**True Width** (m)	**Weighted Average Gold Grade** (g/t)	**Weighted Average Silver Grade** (g/t)	**Weighted Average Gold Equivalent* Grade** (g/t)
El Moreno 1	330732 to 330740	13.6	11.5	0.64	2.5	0.67
El Moreno 2	330789 to 330800	16.5	16.0	0.38	4.3	0.44
El Moreno 3	330656 to 330659	6.0	5.0	0.28	0.6	0.29
El Moreno 4	330685 to 330673	12.0	11.0	0.23	9.7	0.36
Carneritos 1	330743 to 330750 & 330754 to 330756	15.7	15.5	0.99	6.1	1.07
Carneritos 2	330757 to 330761	7.4	7.0	1.28	8.2	1.36
Carneritos 3	330762 to 330770	13.5	13.5	1.50	3.4	1.55
Carneritos 4	330695 to 330700 & 330801	10.0	10.0	0.42	7.2	0.51
Carneritos 5	330802 to 330811	11.9	11.9	0.05	0.01	0.08
Carneritos 6	330812 to 330816	6.2	6.2	0.88	4.4	0.94
Masuparia 1	330677 to 330685	13.1	13.1	0.66	0.9	0.67
Masuparia 2	330689 to 330694	6.4	6.4	0.47	10.0	0.61
Masuparia 3	330819 to 330826	12.0	9.7	0.11	1.0	0.12
Cerro Colorado	330827 to 330831	6.8	6.4	0.54	1.9	0.57

(Expressed in Canadian Dollars)

On October 25, 2017, Mammoth announced drill targets for it's upcoming diamond drill program to commence imminently and on November 22, 2017 the Company announced the mobilization of diamond drill equipment to Tenoriba. From January 22, 2018 through April 26, 2018, including announcements on March 1 and April 12, 2018 Mammoth announced results from the diamond drill program. Results are summarized in the following table:

Location	Hole Number	From	To	Total	Weighted Average Gold Grade	Weighted Average Silver Grade	Weighted Average Copper Grade	Weighted Average Gold Equivalent* Grade
		(m)	(m)	(m)	(g/t)	(g/t)	(%)	(g/t)
El Moreno	**TEN 17-01**	169.0	209.0	**30.0**	0.77	2.0		**0.79**
	(including)	198.5	204.5	**5.9**	3.41	7.2		**3.51**
	TEN 17-02	180.5	260.5	**80.0**	0.17	0.3		**0.18**
	(including)	187.0	196.0	**9.0**	0.51	5.3		**0.52**
	(including)	180.5	196.0	**15.5**	0.35	8.6		**0.36**
	TEN 17-03	85.0	92.2	**7.2**	0.23	36.3	3.59	**4.34**
Masuparia	**TEN 17-04**	0.0	10.0	**10.0**	1.12	0.1		**1.13**
		45.1	90.5	**45.4**	0.53	0.1		**0.63**
	(including)	45.1	59.8	**14.7**	0.61	0.2		**0.86**
	(including)	72.5	90.5	**18.0**	0.78	0.1		**0.83**
	TEN 17-05	28.0	55.0	**27.0**	0.51	0.1		**0.63**
	(including)	46.6	55.0	**8.4**	1.30	0.1		**1.39**
		70.0	93.5	**23.5**	1.30	1.3		**1.32**
	(including)	83.5	93.5	**10.0**	2.89	3.2		**2.93**
	(including)	86.5	92.0	**5.5**	4.92	5.1		**4.99**
Carneritos	**TEN 17-06**	43.7	170.5	**126.8**	0.47	7.2		**0.52**
	(including)	70.7	129.0	**58.2**	0.73	3.9		**0.80**
	(including)	70.7	95.7	**25.0**	1.10	2.7		**1.21**
	(including)	95.7	111.0	**15.0**	0.51	0.4		**0.54**
	TEN 17-07	11.5	53.5	**42.0**	0.21	5.0		**0.28**
		65.5	78.0	**12.5**	0.33	2.4		**0.36**
	TEN 17-08	52.5	62.7	**14.9**	0.58	3.1		**0.62**

(Expressed in Canadian Dollars)

The Company has incurred the following acquisition and deferred exploration costs on the Tenoriba Project:

For the nine months ended October 31, 2018	**Tenoriba Project** $
Acquisition costs, January 31, 2018	115,777
Additions	689
Acquisition costs, October 31, 2018	116,466
Deferred exploration costs, January 31, 2018	1,810,641
Additions for the nine months ended October 31, 2018	
Drilling	305
Geological consulting	124,766
Professional fees	4,744
Property taxes	41,080
Travel and accommodation	33,992
	204,887
Deferred exploration costs, October 31, 2018	2,015,528
Total exploration and evaluation assets, October 31, 2018	2,131,994

Richard Simpson, P. Geo., Vice-President Exploration for Mammoth Resources Corp., is Mammoth's Qualified Person, according to National Instrument 43-101 and supervised the preparation of the technical information contained in this MD&A in compliance with NI 43-101.

Results of Operations

The following discussion and analysis of the Company's financial results of its operations should be read in conjunction with the Company's Financial Statements and related notes.

Nine months ended October 31, 2018
For the nine months ended October 31, 2018, the Company reported a loss and comprehensive loss of $158,536 (October 31, 2017 - $189,064).

General and administrative expenses, which amounted to $46,345 during the nine months ended October 31, 2018 (2017 - $53,372) and are detailed below and consist of shareholder and investor relations and regulatory and filing fees. Professional fees were $22,500 during the nine months ended October 31, 2018 (2017 - $35,427) primarily being the accrued cost of the Company's annual audit. Management fees were $59,749 during the nine months ended October 31, 2018 (October 31, 2017 - $16,500).

Three months ended October 31, 2018
For the three months ended October 31, 2018, the Company reported a loss and comprehensive loss of $59,380 (October 31, 2017 - $74,281).

General and administrative expenses, which amounted to $5,141 during the three months ended October 31, 2018 (2017 - $42,158) and are detailed below and consist of shareholder and investor relations and regulatory and filing fees. Professional fees were $15,000 during the three months ended October 31, 2018 (2017 - $30,427) primarily being the accrued cost of the Company's annual audit. Management fees were $20,750 during the three months ended October 31, 2018 (October 31, 2017 - $11,500).

(Expressed in Canadian Dollars)

General and administrative	Three months ended October 31 **2018**	**2017**	Nine months ended October 31 **2018**	**2017**
	$	$	**$**	$
Shareholder and investor relations	**2,500**	18,623	**19,415**	44,627
Office costs	**377**	139	**1,060**	369
Communications	**849**	-	**2,832**	-
Regulatory and filing fees	**435**	-	**8,289**	4,000
Insurance	**979**	1,459	**3,915**	4,376
Travel	**-**	-	**10,733**	-
	5,141	20,221	**46,345**	53,372

Summary of Quarterly Results

The following information is derived from the Company's unaudited quarterly financial statements for the preceding eight quarters.

	October 31 2018	**July 31 2018**	**April 30 2018**	**January 31 2018**
	$	$	$	$
Total assets	2,283,703	2,228,244	2,212,464	2,316,615
Shareholders' equity	1,515,260	1,574,640	1,624,419	1,673,647
Total revenues	Nil	Nil	Nil	Nil
Loss and comprehensive loss	(59,380)	(50,468)	(48,688)	(205,708)
Loss and comprehensive loss per share - basic	0.00	0.00	0.00	0.01

	October 31 2017	**July 31 2017**	**April 30 2017**	**January 31 2017**
	$	$	$	$
Total assets	1,579,422	1,552,729	1,586,787	1,367,383
Shareholders' equity	1,076,601	1,118,806	971,953	784,986
Total revenues	Nil	Nil	Nil	Nil
Loss and comprehensive loss	(46,561)	(27,720)	(114,783)	(66,253)
Loss and comprehensive loss per share - basic	0.00	0.00	0.01	0.00

Liquidity

The Company currently has no operating revenues and relies primarily on equity financing.

For the nine months ended October 31, 2018, the Company incurred a net loss of $158,536 (October 31, 2017 - $189,064), used cash from operations of $278,499 (October 31, 2017 - $138,983), and as at October 31, 2018, had an accumulated deficit of $2,672,412 (January 31, 2018 - $2,518,683) and a working capital deficit of $673,797 (January 31, 2018 - $281,737). The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations, which may rely upon the ability of the Company to raise alternative financing and/or the Company's ability to dispose of its interests on an advantageous basis. These circumstances comprise a material uncertainty which may lend significant doubt as to the ability of the Company to continue as a going concern. Changes in future conditions could require material write-downs of the carrying values.

(Expressed in Canadian Dollars)

Capital Resources

The Company's only source of funding has been the issuance of equity securities for cash. Management believes it is using best efforts to raise equity capital as required in the long term but recognize there will be risks involved that may be beyond its control. The Company has no outstanding debt facility upon which to draw.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company defines its key management as directors, Chief Executive Officer, Chief Financial Officer and VP Exploration. For the nine months ended October 31, 2018, key management compensation was $51,999 (2017 - $80,506) including share-based payments of $nil (2017 - $75,006).

The following table summarizes information on related party transactions:

	Three months ended October 31		**Nine months ended October 31**	
	2018	2017	**2018**	2017
	$	$	**$**	$
Geological consulting fees recorded in exploration and evaluation assets	**31,250**	18,750	**93,749**	37,500
Management fees	**20,750**	15,125	**59,749**	36,927
Share-based compensation	**-**	-	**-**	100,346

As at October 31, 2018, amounts due to related parties were $172,356 (January 31, 2018 - $61,915) in connection with various services provided to the Company, including professional, management and geological consulting fees.

As at October 31, 2018, loan payable to the CEO amounted to $277,521. The loan bears interest at 13%, is unsecured and due on demand. As at October 31, 2018, accrued interest on the loan amounted to $24,608.

On May 1, 2017, the Company entered into revised consulting agreements with the CEO, CFO and VP Exploration for the provision of consulting services subject to the financing proceeds as follows:

	CEO	CFO	VP Exploration
Financing with net proceeds:			
Between $0 to $500,000	$66,000	$20,000	$42,000
Between $500,000 to $1,000,000	$90,000	$30,000	$72,000
Greater than $1,000,000	$170,000	$50,000	$126,000

In addition to base fees noted above, the officers are eligible for a discretionary bonus up to $100% of base fees as recommended by the Compensation Committee and approval by the Board of Directors. The agreements are effective until April 30, 2019 and are subject to renewal upon approval by the Compensation Committee. The Company must provide six to twelve month's written notice for termination but reserves the right to waive such notice upon paying the fees which would have accrued during the six-month period. Should the Company be subject to a change of control and the agreements terminated, the agreements will terminate immediately, and the Company will be required to pay the base fees and discretionary bonus equal to 12 months, 24 months and 36 months for the CFO, VP Exploration and CEO, respectively, at the rates equivalent to financing with net proceeds of greater than $1,000,000.

Subsequent events

On December 17, 2018, the Company signed an option agreement with Centerra as described above.

On October 16, 2018, the Company issued 1,814,458 common shares at a deemed price of $0.05 to settle $90,723 of debt owed to the President and CEO.

On December 5, 2018, the Company announced the intention to settle $120,700 in debt owed to third parties by issuing 2,414,000 common shares at a deemed price of $0.05. This transaction is subject to TSV Venture Exchange approval.

Proposed Transactions

There are currently no proposed transactions.

Critical Accounting Estimates

The preparation of the financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

1. whether or not an impairment has occurred in its exploration and evaluation assets.
2. inputs used in the valuation model to determine the fair value of stock options and broker warrants.

Critical Accounting Judgments

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1. going concern of operations;
2. the accounting policy for exploration and evaluation assets;
3. determining the provisions for income taxes and the recognition of deferred income taxes; and
4. the determination of categories of financial assets and financial liabilities.

(Expressed in Canadian Dollars)

Accounting Policies and Recent Accounting Pronouncements

The Company's significant accounting policies are presented in Note 3 of the annual audited financial statements for the year ended January 31, 2018.

Outstanding Share Data

The following describes the outstanding share data of the Company as at December 30, 2018:

	Number Outstanding
Common shares	30,651,188
Options to purchase common shares	2,313,917
Warrants to purchase common shares	8,175,285
	41,140,390

Financial instrument risk management

a) Fair value of financial instruments

The carrying value of cash and trade and other payables approximates fair value due to the short-term nature of these financial instruments.

b) Risk management

Credit risk
The Company's credit risk is primarily attributable to its cash and government taxes recoverable. The risk exposure is limited to their carrying values at the statement of financial position date. Cash is held as cash deposits with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments.

Interest rate risk
The Company is not exposed to significant interest rate risk since it has no interest-bearing debt except loan from related party, which bears a fixed rate of interest. Cash is held in accounts of financial institutions that do not bear significant interest.

Liquidity risk
The Company's objective is to ensure that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As at October 31, 2018, the Company had cash of $12,858 in cash to settle current liabilities of $718,443, which include accounts payable and accrued liabilities of $243,958 and due to related parties of $172,356, a loan from an officer of $277,521 and interest payable of $24,608. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

Price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk
The Company operates in Canada and Mexico, and is therefore exposed to foreign exchange risk

arising from transactions denominated in a foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by interest rate risk, currency risk and credit risk.

Risk Factors

The operations of the Company are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. The risk factors as disclosed below could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Going Concern
At October 31, 2018, the Company had a working capital deficit of $673,797, has not yet achieved profitable operations and has an accumulated deficit of $2,672,412 since its inception. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on its exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future (see Business Overview).

Additional risks are described in the Company's Management Discussion and Analysis for the year ended January 31, 2018.

Cautionary Note Regarding Forward-looking Information

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

Internal Controls and Disclosure Controls over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission by which the Company is regulated, exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is required to file basic certificates, which it has done for three months ended October 31, 2018. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at October 31, 2018.