SQUIRE MINING LTD.
QUARTERLY REPORT
<u>for the six months ended April 30, 2018</u>

MANAGEMENT DISCUSSION AND ANALYSIS

1.1 Date of Report: June 27, 2018

The following management's discussion and analysis should be read together with the financial statements and accompanying notes for the six months ended April 30, 2018 and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This management discussion and analysis includes certain statements that may be deemed "forward-looking statements". Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

Nature of Business and Overall Performance

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 23, 2011 under the name "0906251 B.C. Ltd.". The Company changed its name to "Squire Mining Ltd." effective January 13, 2015.

The Company has one subsidiary. It holds a 66 2/3% interest in Aracore Technology Corp. ("Aracore"), a British Columbia private company, that was incorporated in March 2018.

The principal business of the Company is the acquisition, exploration and, if warranted, development of mineral resource properties. Currently, the Company holds an option to acquire up to a 80% undivided interest in the Star Property, an early stage mineral exploration prospect totalling 2,942 hectares located south of Nazko, in the Chilcotin District of central British Columbia approximately 75 kilometres southwest of Quesnel, B.C.

On March 18, 2015 the Company received a receipt from the BCSC, ASC and OSC for its initial public offering ("IPO") dated March 17, 2015. As such, the Company became a reporting issuer in British Columbia, Alberta and Ontario. On June 12, 2015 the Company completed its IPO and the Company's common shares were listed for trading on the Canadian Securities Exchange ("CSE") on June 16, 2015 (the "Listing Date").

The IPO was comprised of 3,000,000 common shares at a price of $0.10 per common share. On June 12, 2015 the Company paid the Agent a cash commission of $30,000 and issued to the Agent broker warrants to purchase 300,000 common shares at $0.10 per share until December 12, 2016. The Agent also received a corporate finance fee of $25,000 (plus GST), of which a non-refundable amount of $13,125 (inclusive of GST) was paid to the Agent in January 2015.

During the year ended October 31, 2015, the Company used a portion of the net proceeds from the IPO, after paying the above noted amounts, to pay for, among other things, the balance of the costs of the IPO, the initial cash property payment and also paid for the initial costs of the recommended Phase 1 work program on the Star Property.

The Star Property, located in the Cariboo Mining Division of British Columbia, encompasses six mineral tenures totaling 2,942 hectares. Initially, the Company held an option to purchase, subject to a 2% net smelter returns royalty, a 100% undivided interest in and to the Star Property for a purchase price of 250,000 common shares of the Company exercisable at any time prior to 12 months from the Listing Date. Notwithstanding the Company did not exercise such option, the Company still had the right acquire a 51% undivided interest in the Star Property by making cash payments totaling $78,000 and incurring exploration expenditures totaling $885,000 on the Star Property over a period of four years from the Listing Date.

The original Star Property exploration program consisted of two phases. Phase 1 consisted of a geochemical soil sampling program of approximately 1,500 samples over a grid of measured east-west oriented line stations totaling 75 line kilometres and a ground based magnetometer survey to investigate the mineral potential of Star Property at an estimated cost of $72,050. If warranted by the results of Phase 1, a follow up Phase 2 program consisting of a 30 line kilometre induced polarization geophysical survey and five diamond drill holes totalling 2,000 metres was recommended at an estimated cost of $440,000.

During the year ended October 31, 2015, the Company focused its activities on the Phase 1 work program. The first stage of the Phase 1 field work was completed. The program collected 221 soil samples and completed 3 of the proposed 8 grid lines. The samples were analyzed for 53 elements. Numerous anomalies were identified on the property including multi-element lead-zinc-silver-cadmium anomalies. Encouraged by the results, the Company completed the first phase MMI™ soil geochemistry program and more detailed sampling surrounding identified anomalies during the year ended October 31, 2016. This program was completed June 25, 2016 and the Company received the Geological and Geochemical Assessment Report dated October 1, 2016 on October 17, 2016.

The recommendations included increasing the density of sampling around identified MMITM soil geochemistry anomalies and trenching of anomalies with a small backhoe. If any encouraging results are obtained from trenching, then drilling is warranted.

A $10,000 property option payment due 18 months after Listing Date was paid on January 10, 2017. There was no other exploration work conducted during the year ended October 31, 2017, which was primarily due to forest fire closures and wild fires in the area. At October 31, 2017, the Company had not paid the required property payment or incurred the required exploration costs due by 24 months after the Listing Date and the option agreement lapsed.

On February 15, 2018 the Company negotiated a new option agreement to earn a 51% interest in the Star Property by making further cash payments of $60,000 ($10,000 due February 15, 2018 (paid)) and incurring a further $785,000 in exploration work ($35,000 advanced) over the next two years.

The term of the option is until August 15, 2020. If the option is not exercised or the cash and exploration work has not been paid in full on or before August 15, 2020, the option shall terminate. The Company may earn an additional 14% interest in the Star Property by completing a preliminary economic assessment and a further 15% interest upon successful completion of a financing sufficient to carry out a feasibility study on the property.

The Company is contemplating a two-phase work program for 2018 including Phase 1 trenching, geochemical, stream sediment sampling and prospecting on the southern part of the claims (estimated cost of $35,000) and Phase 2 diamond drilling (estimated cost of $250,000). Phase 2 is subject to favourable results from Phase 1.

The 2016 and 2015 Assessment Report, MMI™ results and maps of the 2016 and 2015 program can be found on the Company's website.

On March 26, 2018 the Company announced that it had staked seven mineral claims in the Chilcotin and Netchako regions of British Columbia. These properties cover an area of 4,192 hectares and are prospective for gold and silver. The Company is contemplating a preliminary evaluation of these properties in the summer of 2018, including stream and soil geochemical sampling and prospecting.

On October 14, 2016, the Company entered into a binding letter of intent ("LOI") with Strategic Aviation Holdings Ltd. ("SAH"), a privately-owned company incorporated under the laws of Ontario, and each of the shareholders of SAH, which set out the terms and conditions pursuant to which the Company, SAH and the SAH shareholders agreed to complete a transaction that would result in the acquisition by the Company of all of the issued and outstanding common shares of SAH.

SAH is a national multi-functional aviation services provider, focusing on airline ground handling and catering logistics services in Canada.

The completion of the proposed transaction was subject to a number of terms and conditions, including entering into a definitive agreement, the completion of the financing, the approval of the shareholders of the Company, the approval of the exchange and other relevant regulatory authorities. On January 6, 2017, the LOI was terminated after the parties were unable to meet certain conditions required to complete the transaction on mutually acceptable terms. The Company incurred final legal costs during the nine months ended July 31, 2017.

On June 20, 2017 the Company reported that Ian Mann had resigned as the President and Chief Executive Officer and a director of the Company for personal reasons. Tibor Gajdics, a director of the Company, was appointed interim President and Chief Executive Officer pending the appointment of a new President and Chief Executive Officer for the Company. The board of directors expressed its deep gratitude and appreciation to Mr. Mann for his years of service to the Company.

On July 26, 2017 the Company announced that certain directors and insiders of the Company granted an option to Ore Capital Partners Ltd., a private British Columbia company, and/or its assignees to acquire a total of 11,000,000 common shares (the "Option Shares") of the Company from these directors and insiders for an aggregate purchase price of $210,000. Ore and/or its assignees exercised this option on December 15, 2017 and closed on January 10, 2018.

On September 13, 2017 the Company completed a non-brokered private placement financing of 6,366,666 units at $0.06 per unit for gross proceeds of $382,000. Each unit consisted of one common share and one transferable share purchase warrant to purchase an additional common share at a price of $0.08 per share until September 13, 2019. The Company also paid a finder's fees in connection therewith of 402,500 units comprising the same terms as the private placement. The net proceeds of this financing were allocated for general corporate and working capital purposes and to investigate new business opportunities.

On October 5, 2017 the Company granted Jeffrey Howlett, a consultant to the Company, a share purchase option to purchase up to 100,000 common shares of the Company at $0.12 per share exercisable until October 5, 2022.

On November 2, 2017, Owen King was appointed to the Board of Directors. Mr. King has 20 years of experience in the financial markets and management consulting fields. In conjunction with such appointment, the Company granted Mr. King a share purchase option to purchase up to 500,000 common shares of the Company at $0.10 per share exercisable until November 2, 2022.

On November 24, 2017 the Board of Directors approved a change to the Company's capital investment policies to permit management to make investments from time to time in other publicly traded companies that management believes offers potentially superior returns on investment. It is anticipated that a maximum of 25% of the Company's available cash on hand from time to time will be made available for this purpose.

On December 1, 2017, Garry Stock was appointed to the Board of Directors. Mr. Stock has 20 years of experience in the resource industry. Mr. Stock holds an Honours BA in Economics and completed the CFA program in 1998. In order to facilitate Mr. Stock's appointment, Chrisilios Kyriakou stepped down as a director of the Company.

By assignment agreement dated December 12, 2017, as amended on January 29, 2018, the Company purchased an 18% interest in an exclusive eight-year license (the "Dahrwin License") to commercially exploit a patented communications technology designed to create autonomous communication networks without the need to connect to the internet, cellular or other communications infrastructure. In consideration, the Company paid to the assignor $225,000 cash for an 18% interest in the Dahrwin License solely as it relates to commercial applications for the mining resource industry worldwide. The assignment requires the assignor to incur a minimum of $50,000 in qualified expenditures to develop mining-related uses for the technology on or before December 12, 2018, failing which the Company's interest in the Dahrwin license (as it relates solely to commercial applications for the mining resource industry worldwide) will automatically increase to 25%. The Dahrwin License is subject to a net revenue royalty of 15% payable to the owner of the technology.

On December 15, 2017 the Company closed a non-brokered private placement of 11,133,333 units at $0.06 per unit for gross proceeds of $608,000. Each unit consisted of one common share and one transferable share purchase warrant to purchase one additional common share at $0.08 per share exercisable until December 21, 2019, as to 8,633,333 warrants and December 27, 2019, as to 2,500,000 warrants. The Company also paid a finder's fee of 560,000 units comprising the same terms as the private placement. The net proceeds of this financing were allocated for, among other things, general corporate and working capital purposes and to investigate new business opportunities and to fill key executive roles.

On January 12, 2018, 750,000 share purchase options were exercised, as to 500,000 at $0.12 per share and as to 250,000 at $0.10 per share, for gross proceeds of $85,000.

On January 12, 2018 the Company granted share purchase options to employees, directors, officers and consultants to purchase up to 3,233,334 common shares at $0.15 per share, exercisable until January 12, 2020.

Also, on January 18, 2018, the Company announced that it has begun investigating other technology acquisitions in the internet-of-things, mesh networking and blockchain ecosystems primarily for resource related applications.

In February, 2018 the Company purchased 300,000 units of Universal mCloud Corp. ("mCloud") at $0.35 per unit for a total subscription price of $105,000. Each unit consisted of one common share and one-half (1/2) of one common share purchase warrant. Each whole warrant entitles the Company to purchase an additional common share at $0.45 per share exercisable for 36 months, subject to early redemption by mCloud if the 10-day weighted average trading price of the common shares of mCloud is at any time greater than $0.80 per share. mCloud is a technology company building the next generation loT platform for asset and smart energy management listed on the TSX Venture Exchange (symbol – MCLD).

In March 2018, 250,000 share purchase options entitling the holder thereof the right to acquire 250,000 common shares at $0.12 per share were forfeited. Also in March 2018, 166,600 share purchase options were exercised at $0.15 per share.

By a letter agreement dated March 8, 2018, the Company agreed to form a joint venture company with Peter Kim ("Kim") to undertake the design, development and commercialization of application specific integrated circuit ("ASIC") chips to mine bitcoin and other crypto-currencies. The initial development and manufacture of the chips is anticipated to take place in Korea. Aracore has been established as the joint venture company with the Company holding an initial 66 2/3% interest and Kim holding an initial 33 1/3% interest. The Company is responsible for providing initial funding of up to US$3,000,000 and Kim is responsible for the design and development of the chips and assembling a team of qualified design engineers, programmers and other personnel. Actual funding will be staged and contingent upon Kim and the development team meeting certain milestones and time frames as set out in the letter agreement. If the Company provides funding in excess of US$3,000,000, the Company's interest in Aracore will automatically increase to 75% with Kim's interest reduced to 25%. Kim is also entitled to a royalty on gross revenues from the sale of chips equal to 1.25% until such time as the Company has recovered 100% of its funding contributions, after which time the royalty shall increase to 2.5% of gross revenues.

On March 14, 2018 the Company announced a non-brokered private placement of up to 10,000,000 units at $0.30 per unit for gross proceeds of $3,000,000. Each unit consisted of one common share and one-half (1/2) of a share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at a price of $0.50 for a period of two years. The Company reserved the right to increase the size of the placement by up to an additional 10% or $300,000 at its discretion. On May 29, 2018, the Company completed the private placement for a total of 13,174,500 units at a new price of $0.25 per unit for gross proceeds of $3,293,625. Finder's fees totaling $180,600 cash, 115,815 units and 838,215 finder's warrants were paid to certain arm's length finders in connection with the offering. Each finder's warrant entitles the holder to purchase one common share of the Company at $0.50 for a period of two years.

On March 26, 2018 the Company announced the appointment of Simon Moore as President, CEO and Director. Mr. Moore has over 30 years of corporate management experience working across various industry sectors and in both public and private enterprise. The Company also announced that Tibor Gajdics, interim President and Director had been appointed as Chairman of the Board and Kevin Hanson was resigning from the Board of Directors and as CFO effective March 30, 2018.

On March 26, 2018, the Company announced that it has granted incentive stock options to consultants to purchase up to 450,000 common shares at $0.30 per share, exercisable for a term of two years from the date of the grant.

Effective March 30, 2018 the Company appointed Rich Wheeless as its new Chief Financial Officer. Mr. Wheeless has been an active investor, advisor, and/or board member for numerous privately-held companies.

On April 11, 2018, David Rokoss was appointed as an additional director of the Company. Mr. Rokoss has 20 years experience as an entrepreneur and consultant, working with a variety of private and publicly listed companies, focusing on concept development, finance and operational management.

On May 16, 2018, the Company announced the granting of incentive stock options to directors, officers and consultants to purchase up to an aggregate of 2,600,000 common shares at a price of $0.31 per share, exercisable for a term of two years from the date of the grant.

The Company also announced that Tibor Gajdics had stepped down as Chairman of the Company and Simon Moore had been appointed as Executive Chairman, in addition to his roles as President and Chief Executive Officer. Mr. Gajdics remains a valuable member of the Company's Board of Directors.

As at April 30, 2018, the Company had a working capital position of $307,168.

1.3 Selected Annual Information

N/A

1.4 Results of Operations

The Company has not generated revenue to date. The loss before other items during the three months ended April 30, 2018 as compared to the three months ended April 30, 2017 was significantly higher due to the Company becoming very active with investigating other technology opportunities in the internet-of-things, mesh networking and blockchain ecosystems. Consequently, the Company engaged several consultants that provided services to the Company regarding the above noted activities, including services related to the Company's acquisition of an 18% interest in the Dahrwin License and investigating the industry and market opportunities for designing and developing ASIC chips to mine bitcoin and other cryptocurrencies. Project investigation costs in this regard totalled approximately $39,000 for the three months ended April 30, 2018, compared to approximately $85,191 in consulting fees recorded during the three months ended April 30, 2017 in connection with the SAH LOI. The Company also incurred legal fees of approximately $39,415 during the three months ended April 30, 2018 in respect of legal services performed in connection with fund raising activities, the Dahrwin License and the Kim letter agreement during the quarter. Management fees increased as the President and CFO charged for services during the three months ended April 30, 2018 whereas there were no charges during the three months ended April 30, 2017. Office, rent, transfer agent fees and travel also increased during the three months ended April 30, 2018 mainly due to the increased activity during this quarter related to the items noted above. Finally, share-based payments increased significantly as the Company granted share purchase options during the three months ended April 30, 2018 valued at approximately $358,000 compared to 450,000 options granted during the three months ended April 30, 2017 valued at $90,000 using the Black-Scholes model.

The Company has not generated revenue to date and the higher loss before other items during the six months ended April 30, 2018 compared to the six months ended April 30, 2017 was due mainly to increased administration services, consulting fees associated with projects, management fees, office and miscellaneous, legal costs, and travel costs. For the six months ended April 30, 2018, there were consulting fees of $359,978 (2017: $nil), legal fees of $70,734 (2017: $nil), management fees of $110,000 (2017: $nil), administration fees of $19,823 (2017: nil), and travel costs of $124,485 (2017: $nil). This was primarily due to costs related to various projects that the Company was reviewing during the six months ended April 30, 2018.

During the three months ended April 30, 2018 the Company did not generate any revenue. General and administrative costs increased during the three months ended April 30, 2018 compared to three months ended April 30, 2017 due mainly to increased consulting fees of $124,190 (2017: $nil), administrative fees of $5,867(2017: $nil), legal fees of $39,415 (2017: $nil), and travel costs of $79,282 (2017: $100) associated with the activities noted above.

The Company's cash outflow from operating activities during the six months ended April 30, 2018 ($623,190) was greater than during the six months ended April 30, 2017 ($86,488) primarily due to the increase in activity of the Company as discussed above. Also, the Company's cash flow used in investing activities during the six months ended April 30, 2018 was $570,235 (April 30, 2017 - $13,528) related to, inter alia, the purchase of an 18% interest in the Dahrwin License and the Company's investment in mCloud.

Finally, the Company's cash flow from financing activities was $752,390 during the six months ended April 30, 2018 as compared to $0 during the six months ended April 30, 2017. During the three months ended April 30, 2018 the Company received a total of $59,390 upon the exercise of certain stock options and warrants.

Currently, the Company's significant project is the Star Property exploration project, detailed in section 1.2.

Known trends, risks and uncertainties

Further changes in the price of gold and other commodities are likely to have an effect on the valuation of the Company's exploration property. Additionally, access to new funding for early stage mining projects will impact management's future decisions.

The use of bitcoin or other cryptocurrencies to, among other things, buy and sell goods and services and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of bitcoin and other cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect the demand for bitcoin and other cryptocurrencies and consequently the demand for the ASIC chips incorporated into the "mining rigs" used to mine such currencies. Factors affecting further development of the industry include, but are not limited to, continued worldwide growth in the adoption and use of cryptocurrencies, governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems, changes in consumer demographics and public tastes and preferences, the availability and popularity of other forms or methods of buying and selling goods and services and general economic conditions and the regulatory environment relating to digital assets, each of which is beyond the reasonable control of the Company and could materially adversely affect the market for the ASIC chips that the Company is proposing to design and develop through its joint venture with Kim and Aracore.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q2 April 30, 2018	Q1 Jan. 31, 2018	Q4 Oct. 31, 2017	Q3 July 31, 2017	Q2 April 30, 2017	Q1 Jan 31, 2017	Q4 Oct. 31, 2016	Q3 July 31, 2016
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (loss) before discontinued operations and extraordinary items:								
Total	$ (422,897)	$ (766,504)	$ (86,616)	$ (75,054)	$ (2,242)	$ (54,987)	$ (29,355)	$ (20,488)
Per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Per share, fully Diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Net income (loss)								
Total	$ (422,897)	$ (766,504)	$ (86,616)	$ (75,054)	$ (2,242)	$ (54,987)	$ (29,355)	$ (20,488)
Per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Per share, fully Diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

The Company reported a net loss of $422,897 during the three months ended April 30, 2018. Administrative expenses during the three months ended April 30, 2018 increased due to the Company becoming very active with investigating other technology opportunities in the internet-of-things, mesh networking and blockchain ecosystems. As a result of this increased activity, administrative services increased by approximately $5,867, general consulting fees increased by approximately 124,190, legal fees increased by approximately $39,415, management fees increased by approximately $57,500, office expenses increased by approximately $6,607 and travel increased by approximately $79,282. Also share-based payments increased by $125,000 as the Company granted share purchase options during the three months ended April 30, 2018.

The Company also engaged several consultants that provided services to the Company regarding the above noted activities, including services related to the acquisition of an 18% interest in the Dahrwin License and market opportunities for the development of ASIC chips to mine bitcoin and other cryptocurrencies. Project investigation and consulting fees in this regard increased by approximately $124,190.

1.6 Liquidity

As at April 30, 2018, the Company had total assets of $769,235 consisting primarily of cash of $92,021, short term investments including mCloud at $290,500, an 18% interest in the Dahrwin License at $225,000 and exploration and evaluation assets of $133,388. The Company's working capital as at April 30, 2018 was $307,168. Subsequent to April 30, 2018, the Company completed a non-brokered private placement of 13,174,500 units at a price of $0.25 per unit for gross proceeds of $3,293,625 (see 1.2 above). The Company's working capital requirements for the next twelve months will consist primarily of administrative costs regarding the operations of a public company, exploration costs, the Dahrwin License and the joint venture to develop ASIC chips with Kim (see 1.2 above). The Company expects that it will have adequate funds to cover its general operating expenses for the remainder of the fiscal year ending October 31, 2018.

1.7 Capital Resources

The capital resources of the Company are primarily its cash of $92,021 at April 30, 2018. Subsequent to April 30, 2018, the Company completed a non-brokered private placement of 13,174,500 units at a price of $0.25 per unit for gross proceeds of $3,293,625 (see 1.2 above).

Capital requirements will likely include administration costs, including consulting fees and management fees, and investments and development of those investments.

At April 30, 2018, the Company had no other commitments for expenditures other than the current accounts payables and accrued liabilities totalling $103,679 and the planned expenditures on the ASIC chip development as disclosed in section 1.2.

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

During the six months ended April 30, 2018, the Company was charged $87,500 in management fees by two companies each controlled by an officer of the Company. This included $40,000 charged by the former interim President (Tibor Gajdics) of the Company and $27,500 charged by the former Chief Financial Officer (Kevin Hanson) of the Company. The current president (Simon Moore) and CFO (Rich Wheeless) charged $17,500 and $5,000 as management fees, respectively. Prepaid expenses at April 30, 2018 includes $15,750 in management fees charged by a director of the Company (Tibor Gajdics). The Company was also charged $30,000 in consulting fees by a director (Owen King) during the six months ended April 30, 2018. Finally, a company controlled by the Corporate Secretary (Donna Moroney) charged the Company $19,823 for administrative services during the six months ended April 30, 2018. These fees are charged on a month to month basis. Included in accounts payables at April 30, 2018 is $15,010 due to a related parties in connection with the management fee accrual.

The Company considers its Chief Executive Officer, Chief Financial Officer and directors of the Company to be key management.

1.10 Fourth Quarter

N/A

1.11 Proposed Transactions

Save as disclosed elsewhere herein, there are no proposed asset or business acquisitions or dispositions which are expected to have a material effect on the financial condition, financial performance or cash flows of the Company.

1.12 Critical Accounting Estimates

N/A for venture issuers

1.13 Changes in Accounting Policies including Initial Adoption

New accounting policies that the Company has adopted during the three months ended April 30, 2018 or expects to adopt are noted below (also disclosed in the April 30, 2018 financial statements):

Accounting Policies Initially Adopted

N/A

Accounting Standards and Amendments Issued but Not Yet Effective

The following new standards and interpretations are not yet effective and have not been applied in preparing the financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments* introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39. This standard is effective for reporting periods beginning in or after January 1, 2018.

- IFRS 16 *Leases* establishes a single lease accounting model requiring lessees to recognize assets and liabilities for all leases unless the leases term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations. This standard is effective for reporting periods beginning on or after January 1, 2019.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities.

The Company's financial instruments are exposed to the following risks at April 30, 2018:

Credit Risk

The Company's exposure to credit risk is the risk of illiquidity of cash amounting to $92,021 at April 30, 2018. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

The Company also has exposure to credit risk with regards to its amounts receivable at April 30, 2018, which is due from the Canadian government. The Company closely monitors this risk and believes the risk is not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company has maintained sufficient cash balances to meet these needs at April 30, 2018.

Foreign Exchange Risk

As of April 30, 2018, the Company has virtually no foreign exchange risk as all its activities are carried out in Canada and all its financial assets and liabilities are denominated in Canadian dollars.

Interest Rate Risk

The Company has no exposure to interest rate risk on its cash. At April 30, 2018, the Company maintained all of its cash balance on deposit in a chequing account with a major Canadian bank.

Price Risk

The Company is not exposed to price risk.

The carrying value of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short maturity of those instruments. There is no income, expenses, gains or losses associated with the financial instruments.

1.15 Other MD&A Requirements

a) Additional information relating to the Company including the Company's interim financial statements for the period ended April 30, 2018 is available for review on SEDAR at ww.sedar.com.

b) Disclosure of Outstanding Share Data

   i) Authorized:
      Unlimited common shares without par value

ii) Common Shares Issued:

	Number	Amount
Balance, October 31, 2017	28,921,167	903,738
Shares issued for cash:		
Private placement – at $0.06	10,133,333	608,000
Share purchase options – at $0.10	250,000	25,000
– at $0.12	500,000	60,000
Stock options – at $0.08	430,000	34,400
Stock warrants – at $0.08	166,600	24,990
Share subscriptions	-	140,000
Share issue cost:		
Agent's units – at $0.06	560,000	-
Fair value of warrants attached to agent's units	-	(67,200)
Fair value on stock options exercised	-	32,500
Balance, April 30, 2018	40,961,100	1,761,428

iii) Share Purchase Warrants:

At April 30, 2018 and June 27, 2018 there were 17,462,499 warrants outstanding entitling the holders thereof the right to purchase 17,462,499 common shares at $0.08 per share exercisable as to 6,769,166 warrants until September 8, 2019, as to 7,633,333 warrants until December 21, 2019 and as to 3,060,000 warrants until December 27, 2019.

iv) Share Purchase Options:

At April 30, 2018 there were 3,958,334 share purchase options outstanding, 375,000, as to $0.12 per share, expiring on March 31, 2020, 100,000, as to $0.12 per share, expiring on October 5, 2022, 250,000, as to $0.10 per share, expiring on November 2, 2022 and 3,233,334, as to $0.15 per share, expiring on January 12, 2020.

Subsequent to April 30, 2018, 250,000 share purchase options entitling the holder thereof the right to acquire 250,000 common shares at $0.12 per share were forfeited and 166,600 share purchase options were exercised at $0.15 per share. Also subsequent to April 30, 2018, the Company granted incentive stock options to consultants to purchase up to 450,000 common shares at $0.30 per share, exercisable for a term of two years from the date of the grant.

Consequently, as at June 27, 2018 there were 3,991,734 share purchase options outstanding, 125,000, as to $0.12 per share, expiring on March 31, 2020, 100,000, as to $0.12 per share, expiring on October 5, 2022, 250,000, as to $0.10 per share, expiring on November 2, 2022, 3,066,734, as to $0.15 per share, expiring on January 12, 2020 and 450,000, as to 0.30 per share expiring on March 26, 2018.

Subsequent to April 30, 2018, Company further announces that it has granted incentive stock options to directors and consultants to purchase up to an aggregate of 2,600,000 common shares at an exercise price of $0.31 per share, exercisable for a term of two years from the date of grant.

Internal Control over Financial Reporting Procedures

As a venture issuer, the Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that the financial statements and this MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and that the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these filings. The certifying officers are also responsible for ensuring processes are in place to provide them with sufficient knowledge to support such representations.

However, in contrast to non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Company's certifying officers are not required to make 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. Accordingly, investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of these interim filings as well as other filings and other reports provided by the Company under securities legislation.