NORTHERN SPHERE MINING CORP.
Management's Discussion and Analysis
Period Ended September 30, 2018
Dated November 28, 2018 (Form 51-102F1)

This management's discussion and analysis ("MD&A") of the financial condition and results of operation of Northern Sphere Mining Corp. ("Northern Sphere" or the "Company") should be read in conjunction with Northern Sphere's unaudited interim condensed financial statements ("Interim Statements") and notes thereto as at and for the three and nine months ended September 30, 2018 and 2017 and the annual financial statements as at and for the years ended December 31, 2017 and 2016. The same accounting policies and methods of computation were followed in the preparation of the interim financial statements as were followed in the preparation and described in Note 3 of the annual financial statements as at and for the years ended December 31, 2017 and 2016, except as otherwise indicated in section 1.10 below.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR at www.sedar.com and at the Company's website located at www.northernsphere.com.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's anticipated investment activities and results and financing activities, the Company's future working capital requirements, the impact of changes in accounting policies and other factors on the Company's operating results, and the performance of global capital markets and interest rates, the exposure of its financial instruments to various risks and its ability to manage those risks, and the Company's ability to use tax resource pools and loss carry-forwards.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to the Company's ability to realize sufficient proceeds from the disposition of the investments (which will be based upon market conditions beyond the Company's control) or otherwise raise capital in order to fund obligations as they become due, the Company's ability to generate taxable income from operations and other risks included elsewhere in this MD&A and in the Company's other public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Nature of the Business

Northern Sphere is dedicated to growth through the acquisition and development of mining assets, with an emphasis on near gold, silver and copper. The Company intends on generating robust mining projects through the use of cutting-edge exploration technologies to assist with more precise mineral targeting on its assets. Headquartered in Toronto, Ontario, Northern Sphere Mining has a strong project pipeline of its mineral interests and mining rights ("Property" or "Properties") with a focus on gold, silver and other metal production in pro-mining jurisdictions.

The Company is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta, and its common shares ("Common Shares") trade on the Canadian Stock Exchange ("CSE") under the symbol NSM.

Going concern uncertainty

The Company has reported a net and comprehensive gain for the nine months ended September 30, 2018 of $1,162,523 as a result of a one-time non-cash write-off of debt and payables of $2,142,087 offset by regular results of $979,564. For the comparable nine months ended September 30, 2017, the Company reported a net and comprehensive loss of $3,533,869. The Company has an accumulated deficit of $12,077,795 (December 31, 2017 – $13,240,318).

The Company is a junior mineral exploration company and is subject to risks and challenges similar to other companies in a comparable stage.

The business of exploring for minerals involves a high degree of risk, as such there is no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of Northern Sphere's interest in its mineral Properties, and the Company's continued existence, is dependent upon the preservation of its interest in the underlying mineral interests and mining rights, the discovery of economically recoverable reserves, the achievement of profitable operations, as well the ability of the Company to raise additional financing to fund its exploration and development programs or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

Although the Company has taken steps to verify title to its mineral Properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements. Management has taken currently available initiative to limits these risks.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration Properties. The Company has neither financial resources on-hand nor current source of recurring revenue sufficient to bring these Properties to production. There is also no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities.

Management will seek the necessary additional financing through a combination of the issue of new equity or debt instruments and the entering into joint venture arrangements. 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 to the Company. Failure to obtain such additional financing will result in the delay or indefinite postponement of further exploration and development of the Company's Properties. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

These challenges and the continued cumulative operating losses cast significant doubt on the Company's ability to continue as a going concern. The financial statements for the three and nine months ended September 30, 2018 and 2017 do not include any adjustments relating to the recoverability and classification of recorded assets amounts nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern. Such adjustments can be material.

1.1 Summary of Activities

The Company's management continues to explore options to increase shareholder value including exploiting the Company's Properties in Arizona and Scadding, Ontario or acquiring additional assets that would be complementary to its Property portfolio.

After raising $3,430,500 in capital in 2017 and applying these resources towards achieving significant progress in its exploration plan, the Company's management has spent this past quarter reinforcing its Board of Directors and Management and on raising additional capital to allow the Company to continue its exploration plans on its two key Properties in Arizona and Scadding, Ontario. In September 2018, the Company successfully increased its percentage Joint Venture ownership in its two key projects and has conducted a preliminary evaluation of its mineral property in Nevada. The general capital market conditions and continued downward pressure on investment returns have created difficult times for the junior mining industry as a whole but the Company has maintained its focus on preparing to be project ready when the market does improve.

On October 25, 2018, the Company welcomed Mr. Mark Haywood to its Board of Directors (“Board”) who will serve as the lead independent director for the Company. Mr. Haywood has already been instrumental in developing several company initiatives. Management has also sought to improve its balance sheet by renegotiating and eliminating certain fees and converting debt to equity. Management and the Board are confident that these activities will enable the Company to raise the funds necessary to implement its exploration plans and achieve its long term goals.

Private Placement

On September 21, 2018 the Company announced the closing of the first tranche of a previously announced private placement of up to 5,000,000 units ("Units") of the Company at a price of $0.08 per Unit. Each Unit is comprised of one common share ("Common Share") of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") for a period of eighteen months following the date of closing subject to adjustments in certain events. This first tranche comprised the issuance of 1,175,000 Units for aggregate proceeds of $94,000. This differs from the amount previously announced by the Company on September 21, 2018 by 625,000 Units as the funds received by one investor were NSF (non-sufficient funds). The Company did not issue the Share Certificate and will be able to cancel the corresponding Common Shares and issue a correcting press release. The Company’s accounts and interim financial reports for the three and nine months ended September 30, 2018 properly reflect the closing of 1,175,000 Units.

Debt Conversion

On September 21, 2018, the Company announced the closing of a debt conversion of $333,692 owing to certain officers and creditors. The debt conversion consisted of the issuance of 4,171,151 Common Shares at a conversion price of $0.08 per share of which 1,635,089 were issued in exchange for $130,807 relating to amounts due to the Chief Executive Officer and the Chief Financial Officer.

Common Shares issued on the conversion of outstanding debt, will be subject to a four-month hold period from the date of closing.

Mineral Assets:

Certain of the Company’s mineral Properties were acquired in 2015 through joint agreements where the Company was eligible for 80% of the net profit distribution (“NPD”). In September 2018, the Company negotiated for the remaining 20% of the NPD for a nominal fee. The agreements require the Company to incur expenditures in varying amounts at varying dates. Failure by the Company to raise additional financing and to make certain cash payments or incur such expenditures can result in a loss of the Company’s interests.

Arizona Properties

On July 1, 2015, the Company entered into a Joint Venture Agreement (“JV-Arizona”) with TrueClaim Resources Inc. (“TrueClaim Resources”). The JV-Arizona was formed for the mining of mineral interests and mining rights of certain Arizona properties ("Arizona Property") of which TrueClaim Resources is the beneficial owner of all mineral interests and mining rights on this Arizona Property.

In July 2015, the Company paid $180,082 for an 80% JV interest in the Arizona Property and in September 2018, the Company paid a nominal fee for the remaining 20% of the JV interest.

The Arizona project made significant steps through 2017 and into 2018 with the Buckeye Silver Mine patents receiving the bulk of the Company's work programs and expenditure. The Company completed its first drilling program in 2017. The program has completed 14 holes in Arizona, 13 of which intercepted a silver vein. The Company also progressed on its Geochemical Survey being conducted on the Black Diamond claims and has identified multiple new mineral targets. The Company staked 50 claims adjoining the Black Diamond claims in February of 2018 as a result of the encouraging exploration results.

Scadding Properties

In 2015, the Company entered into a Joint Venture Agreement ("JV-Scadding") with TrueClaim Exploration Limited ("TrueClaim Exploration"). The JV–Scadding was formed for the mining of certain Scadding, Ontario mineral interests and mining rights ("Scadding Property") of which TrueClaim Exploration is the beneficial owner of all mineral interests and mining rights. The JV–Scadding stipulates the Company shall control all recovery operations on the Scadding Property for the benefit of TrueClaim Exploration and the Company. Under the terms of the JV–Scadding, the Company is appointed as Operator of the development efforts.

In 2016, the Company paid $75,000 for an 80% JV interest in the Scadding Property and in September 2018, the Company paid a nominal fee for the remaining 20% of the JV interest.

In late 2017 and into first quarter 2018, the Company commenced diamond drilling on its Scadding Gold Project located near Sudbury, Ontario. The program completed 7 holes.

Nye County, Nevada Claims
The claims are currently in good standing and the Company continues to assess the opportunities for future development but is not actively developing this project at this time.

1.2 Overall Position

The capital markets in 2018 have been tight for junior mining companies. The Company has raised $94,000 gross in the nine months ended September 30, 2018, significantly limiting its planned development of the mineral interests, however Management has been successful at converting $333,692 in debt and payables into equity over the same period. This places the Company in a strategic position ready for new investment and growth opportunities.

In 2017. the Company attracted $3,430,500 of financing from investors. This funding allowed the Company to move forward on its planned development of the mineral interests in Arizona and Scadding during 2017 and the first quarter of 2018. In order to continue its exploration activities into

2019, the Company will have to raise additional financing to fund its exploration and development programs or alternatively rely upon the Company's ability to dispose of certain interests and assets.

The Company has neither financial resources on-hand nor current source of recurring revenue sufficient to complete its exploration activities nor to bring its current Properties to production. There is also no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities.

1.3 Summary of Quarterly Results

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows:

	Quarter ended 30-September-18	**Quarter ended 30-June-18**	**Quarter ended 31-Mar-18**	**Quarter ended 31-Dec-17**
	$	**$**	**$**	**$**
Revenue	**Nil**	**Nil**	**792**	1,505
Expenses	**(209,219)**	**(339,571)**	**(429,820)**	(459,384)
Net income / (loss)	**(106,712)**	**(341,451)**	**1,610,686**	(457,879)
Weighted ave. no shares – basic	**29,362,000**	**28,812,920**	**28,679,007**	28,627,395
Net income / (loss) per share – basic	**(0.004)**	**(0.012)**	**0.056**	(0.016)
Total assets	**344,531**	**412,075**	**429,370**	673,121
Current Liabilities	**(426,093)**	**(792,367)**	**(476,211)**	(2,338,647)
Long-term debt	**Nil**	**Nil**	**Nil**	Nil
Dividends per share	**Nil**	**Nil**	**Nil**	Nil

	Quarter ended 30-Sept-17	**Quarter ended 30-June-17**	**Quarter ended 31-Mar-17**	**Quarter ended 31-Dec-16**
	$	**$**	**$**	**$**
				(1)
Revenue	1,989	Nil	Nil	Nil
Expenses	(1,338,624)	(1,341,442)	(855,791)	(2,297,742)
Net income / (loss)	(1,336,635)	(1,341,442)	(855,791)	(2,297,742)
Weighted ave. no shares - basic	28,532,593	27,191,726	20,075,450	15,158,497
Net income / (loss) per share - basic	(0.047)	(0.049)	(0.043)	(0.152)
Total assets	1,137,155	2,375,318	440,154	883,690
Current Liabilities	(2,348,272)	(2,259,108)	(2,594,629)	(2,381,974)
Long-term debt	Nil	Nil	Nil	Nil
Dividends per share	Nil	Nil	Nil	Nil

The Company's expenses fluctuate primarily quarter over quarter primarily due to the amount of acquisition or exploration activities in the quarter, which is dependent on the amount of funding available to support these activities. In the quarter ended March 31, 2018, the Company wrote off certain debt and accrued payables of $2,041,000 resulting in a net gain in that quarter. In the quarter ended December 31, 2016, the Company wrote off certain mineral assets increasing the Company's net loss for that quarter. Both of these transactions were non-cash transactions. As a result of its equity financing activities, the Company's outstanding Common Shares has grown from 15.2 million to over 34 million over the 8 quarters ended September 30, 2018.

1.4 Liquidity and Capital Resources

As at September 30, 2018, the Company had depleted its cash reserves to $2,508 (December 31, 2017 – 267,393) and had reduced its current liabilities from $2,338,647 as of December 31, 2017 to $426,093 as of September 30, 2018. As at September 30, 2018, the Company has a working capital deficiency of $401,019 (December 31, 2017 – $2,015,474). The primary reason for the significant decline in the deficiency in the nine months ended September 30, 2018 is the write-off of the debenture of $1,901,300 in short term liabilities, a note payable of $50,000 and the reversal of $90,687 in director fees and $100,100 in accrued and other payables. Until such time as the Company begins to generate revenue, the Company will continue to face liquidity risk and will be dependent on raising capital to fund its activities.

The Company's contractual obligations include the following:

Exploration activities

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Arizona Land Claims

As of September 30, 2018, the Company has certain rights to 232 land claims in Arizona (December 31, 2017: 182). The Company is responsible for annual land claim fees to the Bureau of Land Management in the USA in the amount of US$35,960 due in September each year (2017: US$28,210) in order to keep these claims in good standing. The Company is currently up to date with these obligations.

Silver Sevens operator's agreement

Under the terms of the local operator's agreement with Silver Sevens Exploration for the development of the Arizona Properties, the Company has an obligation to pay each August 30th, an annual payment of US$37,500 until such time as commercial production is achieved. These payments are considered as advance Royalty payments under the terms of the local operator's agreement. As there is no way to determine how long this pre-commercial production stage will last, the Company has accrued these obligations to date through the statement of comprehensive loss.

Buckeye lease agreement

Pursuant to a lease agreement dated October 2014 and assumed by the Company on July 15, 2015 (amended June 14, 2017), the Company has the right to develop approximately 15.49 acres of land located in Gila County, Arizona (The Buckeye Silver Mine) including the exclusive right to explore, develop and mine the land. The term of the agreement is for three seven-year terms and include annual lease payments on July 23rd in the following amounts to 2028 and to be negotiated by the parties thereafter:

2018	US$	30,000	2023	US$	55,000
2019	US$	35,000	2024	US$	60,000
2020	US$	40,000	2025	US$	65,000
2021	US$	45,000	2026	US$	70,000
2022	US$	50,000	2027	US$	70,000
			2028	US$	70,000

Costs associated with Joint Venture Scadding

As part of its Joint Venture agreement with TrueClaim Exploration ("JV Scadding"), the Company is responsible to pay all costs of holding the Scadding, Ontario property and land claims during the term of the JV agreement. These costs include annual land taxes of approximately $27,500, annual lease rents of $2,000 and required capital spending of approximately $250,000 annually to remain in good standing with the Ontario Ministry. The JV Agreement does not stipulate a termination date and therefore the Company will continue to pay for and expense these costs through the statement of comprehensive loss in the year they are incurred or until the Company moves into a production phase.

Agora marketing agreement

On July 15, 2017, the Company entered into an online marketing agreement with AGORA Internet Relations Corp. ("Agora") for marketing, advertising and related services to the Company. The Company committed to a fee of $40,000 payable in common shares of the Company in five installments of $8,000 each. Shares issued for each installment are calculated at the closing price of the Common Shares on the date which such installment becomes payable.

On September 26, 2018, the Company entered into a second agreement with Agora for an additional $40,000 of services payable in common shares over five installments as outlined below.

Payment Dates	**Value of commitment**
August 30, 2018	**$8,000**
December 1, 2018	**$8,000**
March 1, 2019	**$8,000**
June 1, 2019	**$8,000**
September 1, 2019	**$8,000**
November 30, 2019	**$8,000**

Common shares issued pursuant to the agreement with Agora are subject to a four-month hold period from the date of issuance.

1.5 Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management include the Board Members, the Executive Chairman, the Chief Executive Officer, and the Chief Financial Officer.

Expenses

	Three month ended September 30		Nine month ended September 30	
	2018	2017	**2018**	2017
Related party management and consulting fees	**$ 25,328**	$ 112,704	**$ 231,734**	$ 493,549
Other-non key management fees	**-**	20,000	**30,000**	80,000
Management, director fees per Statement of Comprehensive Gain / (Loss)	**$ 25,328**	$ 132,704	**$ 261,734**	$ 573,549
Share based compensation – value attributed to options issued to related parties	**$ -**	$ -	**$ -**	$ 396,833
Related party fee included in exploration and evaluation fees within the Statement of Comprehensive Gain / (Loss)	**$ -**	$ 25,000	**$ -**	$ -
Debt conversion				
Management and consulting fees payable to related parties and converted to shares	**$ 130,807**	$ -	**$ 130,807**	$ -
No of shares	**1,635,089**	-	**1,635,089**	-
Cancelation of accruals				
Cancelation of previously accrued director fees to a current director	**$ 34,000**	$ -	**$ 34,000**	$ -

Payables and accruals

As at	**September 30,2018**	December 31, 2017
Director fees	**$ -**	$ 90,687
Management and consulting fees	**95,197**	78,790
	$ 95,197	$ 169,477

From January 4, 2017 – March 31, 2018 Park Place Limited ("Park Place") received management and consulting fees for services normally associated with the position of Executive Chairman of the

Board of Directors of a junior mining company. Park Place is a company controlled by the Sheldon Inwentash. Park Place was paid a monthly retainer of $10,000 for these services beginning mid-February 2017. In addition, Park Place was also paid $200,000 on March 30, 2017 in relation to Capital Market Advisory services and introductions to strategic and financial partners in relation to the financial raise in the quarter. The Company has accrued $80,000 on March 31, 2018 in accordance with the settlement agreement with Park Place who resigned as of March 31, 2018. On September 21, 2018, Park Place agreed settle these amounts payable via a debt conversion agreement and in exchange received 1,000,000 common shares of the Company. As at September 30, 2018, there were no fees outstanding and payable to Park Place (December 31, 2017: $22,600).

The President/Chief Executive Officer is paid a monthly retainer of $12,500 a month. At September 30, 2018 $58,296 is owed to the Chief Executive Officer. The Chief Financial Officer of the Company is paid on an hourly basis for her services to the Company. At September 30, 2018 $36,901 is outstanding and payable to the Chief Financial Officer.

To assist with bridging the Company until it is successful in its efforts to arrange additional financing, certain officers, along with certain creditors agreed to convert all or a portion of amounts due to them into Common Shares of the Company (see Summary of Events above). Of the $333,692 debt converted by the Company, $130,807 relating to amounts due to the Chief Executive Officer and the Chief Financial Officer into 1,635,089 Common Shares.

On September 1, 2018 the Company entered into an agreement with Caravel Mining Inc. ("Caravel"), a company controlled by one of the Company's directors, pursuant to which Caravel has agreed to provide certain strategic and advisory services to the Corporation in consideration for the payment of $100,000, payable in cash or by the issuance of Common Shares. An initial fee of $65,000, inclusive of applicable taxes, is payable in Common Shares in November 2018 or at the Company's next equity financing. A monthly fee of $5,000 will be payable upon receipt in cash or accrued and paid in Company Shares at least quarterly. The price of the Common Shares to be issued as payment for these monthly fees is the price of the Common Shares being issued in conjunction with a private placement issue as then issued.

A former director of the Company had been engaged as a management consultant to the Company and was paid a monthly retainer of $3,500 from September 2015 to September 2017. The Company accrue these fees from October 2017 to March 2018 but was disputing their validity. A review of these fees at September 30, 2018, resulted in the reversal of the charges.

In 2015-2016, the Company accrued fees for its directors at a rate of $4,000/quarter per director. These amounts were reassessed and reversed as a gain in the quarter ended September 30, 2018. Of the amount reversed, $34,000 relates to a current director.

Stock options

In March and May of 2018, three directors resigned from the Company's board of directors. As such, stock options previously issued to these directors expired 90 days after their termination dates as per the Company's option policy, 1,000,000 options expired in June and 200,000 options expired in August 2018.

1.6 Off-Balance Sheet Arrangements

As of the date of this report, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.7 Recent Events

Marketing Agreement
Effective December 1, 2018, the Company entered into a renewal online marketing agreement with AGORA Internet Relations Corp. ("Agora") pursuant to which Agora has agreed to provide marketing, advertising and related services to the Corporation in consideration for the payment of $40,000, to be paid by the issuance of Common Shares. The fee is payable in five instalments of $8,000 each plus applicable taxes (each, an "Installment"), with the first Installment paid on commencement of the term on December 1, 2018, and the subsequent Installments to become payable at the end of each three-month period thereafter. The price of the Common Shares to be issued as payment for each Installment is the closing price of the Common Shares as at the end of each Installment period.

1.9 Critical Accounting Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's financial statements include the Company's estimate of recoverable fair value on Mineral assets, the Company's estimate of inputs for the calculation of the fair value of stock-based compensation expense and the Company's own warrants and broker warrants.

Estimate of recoverable fair value on exploration and evaluation assets
The costs of acquiring interests in exploration and evaluation assets are carried at cost until they are brought into production. The Company's recorded value of exploration assets is based on historical costs that it expects to be recoverable in the future. The Company operates in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, political, ownership, funding, and currency risks, as well as environmental risk and overall economic conditions. All of these factors are potentially subject to significant change, out of the Company's control, and such changes are not determinable. Additionally, failure to conduct additional work on the Company's exploration Properties may result in the loss of its interests or rights. Accordingly, there is always the potential for a material adjustment to the value assigned to exploration assets.

At each reporting period, the Company's management reviews the status of all of its exploration Properties, taking into account all of the factors noted above, in order to make an estimate of the recoverable value of each asset. When management believes that the value of an asset has been impaired, the Company will write down the value of the asset to management's estimate of its recoverable value. As well, if the Company determines that an exploration project is not viable due to the risks described above or to unsatisfactory testing or drill results, the Company will write-off the carrying value of the associated assets. During the three months ended September 30, 2018 and 2017, the Company had no impairment on its exploration and evaluation assets.

Stock-based Compensation Expense

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense and the fair value of the warrants and broker warrants issued under the Company's private placements. The model requires six key inputs: exercise price, market price at date of issue, risk free interest rate, expected dividend yield, expected life and expected volatility. The first two inputs are facts rather than estimates, while the risk-free interest rate, expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the option, lower volatility number or higher dividend yield used would result in a decrease in stock-based compensation expense. A longer expected life of the option or a higher volatility number used would result in an increase in stock- based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

All of the Company's stock options currently vest at the date of issuance.
The Company did not issue stock options during the nine months ended September 30, 2018.

During the nine months ended September 30, 2017, the Company granted 525,000 stock options exercisable at $0.60 per share expiring on January 22, 2020 and 1,350,000 stock options exercisable at $0.50 per share expiring on May 23, 2022.

The fair value of the options granted was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	**January 12, 2017**	**May 23, 2017**
Expected volatility	100%	100%
Expected dividend yield	0%	0%
Risk-free interest rate	0.73%	0.76%
Expected option life in years	3 years	5 years
Expected forfeiture rate	0%	0%
Fair value per stock option granted	$ 0.3706	$ 0.2175
Total Fair value per stock option granted	**$ 194,600**	**$ 293,700**

The expected volatility is based on the average historical volatility over the life of the option at the Company's share price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on historical options granted.

Stock-based Warrants

In September 2018, the Company closed a private placement whereby it issued 7,882,500 Units at $0.40 per Unit, with each Unit comprising one Common Share and one-half of one Common Share purchase warrant. In total, 3,941,250 warrants were issued.

On September 21, 2018 the Company closed a private placement of 1,175,000 Units of the Company at a price of $0.08 per Unit. Each Unit is comprised of one Common Share and one Warrant. Each Warrant is exercisable to acquire one Common Share for a period of eighteen months following the date of closing subject to adjustments in certain events.

The fair value of the warrants granted during the first nine months of 2018 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes warrant valuation model assumptions used (weighted average)	**Sept 21, 2018**
Expected volatility	100%
Expected dividend yield	-
Risk-free interest rate	2.235%
Expected warrant life in years	3 years
Expected forfeiture rate	0%
Fair value per warrant granted	$ 0.0328
Total Fair value per warrants granted	**$ 38,500**

In April 2017, the Company closed a private placement whereby it issued 7,882,500 Units at $0.40 per Unit, with each Unit comprising one Common Share and one-half of one Common Share purchase warrant. In total, 3,941,250 warrants were issued.

On May 12, 2017, the Company completed a Flow-Through Private Placement and issued 545,000 common shares for proceeds of $272,500. In connection with the issue, the Company paid $19,075 in fees and issued 38,150 broker warrants. Each broker warrant is exchangeable for one common share of the Company at a price of $0.50 for a period of twenty-four (24) months following the date of the issue of the related shares.

The fair value of the warrants granted during the first nine months of 2017 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes warrant valuation model assumptions used (weighted average)	**April, 2017**	**May 12, 2017**
Expected volatility	100%	100%
Expected dividend yield	0%	0%
Risk-free interest rate	0.78-0.83%	0.75%
Expected warrant life in years	2 years	2 years
Expected forfeiture rate	0%	0%
Fair value per warrant granted	$ 0.1740	$ 0.1740
Total Fair value per warrants granted	**$ 685,900**	**$ 6,600**

1.10 Changes in Accounting Policies including Initial Adoption

Basis of Preparation

All references to the Company's financial statements relate to those statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable at the time of filing. Any significant changes as a result of changes to IFRS or application of IFRS have been disclosed herein. All monetary references expressed in this MD&A are references to Canadian dollar amounts ('$") which is the functional and presentation currency of the Company.

The financial statements are prepared on the historical cost basis except historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value

Mineral Interests and Mining Rights ("Property" or "Properties")

Exploration and evaluation activities (IFRS 6)

All direct expenditures related to the acquisition continue to be capitalized, while exploration and evaluation costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a asset has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a asset will be capitalized. On the commencement of commercial production, depletion of each mining asset will be provided on a unit-of-production basis using estimated resources as the depletion base. All initial acquisition costs relating to the assets are capitalized with regular impairment analysis conducted to assess the viability of each asset.

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral assets and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Ownership in mineral interests and mining rights involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated the ownership of its mineral Properties and, to the best of its knowledge, ownership of its interests are in good standing.

Investments

Financial instruments at fair value through profit or loss ("FVTPL") are classified as current assets and are stated at fair value, with any resultant gain or loss recognized in the income statement. Where the Company has the positive intent and ability to hold reclamation bonds to maturity, they are stated at amortized cost less impairment losses.

Other financial instruments held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognized directly under other comprehensive income, except for impairment losses. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss. The fair value of financial instruments classified as FVTPL and available-for-sale is their quoted bid price at the balance sheet date.

Financial instruments classified as FVTPL or available-for-sale investments are recognized or derecognized by the Company on the date it commits to purchase or sell the investments respectively. Securities held-to-maturity are recognized or derecognized on the day they are transferred to or by the Company respectively.

Impairment losses for the different financial assets and liabilities are recognized as follows:

> *FVTPL:* An impairment loss on a financial asset or financial liability classified as held for trading is recognized in net income in the period in which it arises.
>
> *Available-for-sale financial assets:* When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is transferred to profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.
>
> *Held-to-maturity securities:* The recoverable amount of the Company's investments in held-to-maturity securities and receivables carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). An impairment loss is recognized in net income and through the amortization process. Effective interest method: The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognized on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

The Company's financial instruments measured at fair value on the balance sheet consist of cash, reclamation bonds, accounts payable and accrued liabilities, restoration liabilities and promissory notes payable. Cash is measured at level 1 of the fair value hierarchy. The Company does not have any financial instruments at level 2 or 3 of the fair value hierarchy. The three levels of the fair value hierarchy as follows:

> Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
>
> Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
>
> Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Debenture payable and Other Borrowings

Interest-bearing loans and other borrowings are recognized initially at fair value less related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Trade and Other Payables

Trade and other payables are stated at cost.

Share-based Compensation

Directors and officers of the Company will sometimes receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees or suppliers are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees/vendors become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Income / (Loss) Per Share

The basic income / (loss) per share is computed by dividing the net income / (loss) by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

Balance Sheet

Assets and liabilities expected to be realized in, or intended for sale or consumption in, the entity's normal operating cycle, usually equal to 12 months, are recorded as current assets or liabilities.

Statement of Cash Flows

The Company prepares its statement of cash flows using the indirect method.

1.11 Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, deferred or expenses, not already referred to in (a) through (d), is provided in the Company's Statement of Comprehensive Income (Loss) contained in its audited Financial Statements for the years ended December 31, 2017 and 2016, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

Disclosure of Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

Issued and outstanding: December 31, 2017 – 28,627,395
Issued and outstanding: November 28, 2018 – 34,185,158

Warrants outstanding: December 31, 2017 – 9,456,000
Warrants outstanding: November 28, 2018 – 10,551,000

Options outstanding: December 31, 2017 – 2,725,000
Options outstanding: November 28, 2018 – 1,525,000

Dividend Policy

No dividends have been paid on any shares of the Corporation since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Litigation

There is no litigation pending, nor does management have knowledge of any potential litigation.

Funding Requirements

In order to move forward with its exploration activities, the Corporation may require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Corporation anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral Properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Corporation could materially adversely affect the Corporation.

Auditors, Transfer Agent and Registrar

The auditors of the Corporation are Parker Simone LLP, Chartered Professional Accountants of Mississauga, Ontario. The Transfer Agent and Registrar for the Common Shares of the Corporation is Computershare of Vancouver, British Columbia.