

ETHOS GOLD CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") includes financial information from, and should be read in conjunction with, the audited annual consolidated financial statements of Ethos Gold Corp., ("the Company") for the years ended December 31, 2018 and 2017. This MD&A was prepared with information available as of April 17, 2019. Additional information and disclosure relating to the Company can be found on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, which include all statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. These include, without limitation:

- the Company's anticipated results and developments in the Company's operations in future periods
- planned exploration and development of its mineral properties
- planned expenditures and budgets
- evaluation of the potential impact of future accounting changes
- estimates concerning share-based compensation and carrying value of properties
- other matters that may occur in the future.

These statements relate to analyses and other information that are based on expectations of future performance and planned work programs.

Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the related property is developed.

With respect to forward-looking statements and information contained herein, the Company has made a number of assumptions with respect to, including among other things, the price of gold and other metals, economic and political conditions, and continuity of operations. Although the Company believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forward-looking statements or information contained or incorporated by reference herein will prove to be accurate.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- fluctuations in mineral prices;
- the Company's dependence on a limited number of mineral projects;
- the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits;
- the Company's lack of operating revenues;
- the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programs;
- jurisdiction operating risks which can over time include changes in political, economic, regulatory and taxation regimes;
- governmental regulations and specifically the ability to obtain necessary licenses and permits;

- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- fluctuations in the currency markets;
- changes in environmental laws and regulations which may increase costs of doing business and restrict the Company's operations;
- risks related to the Company's dependence on key personnel; and
- estimates used in the Company's financial statements proving to be incorrect.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company's forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

OVERVIEW

The Company was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2007, the Company completed an initial public offering ("IPO") and was publicly listed as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("the TSX-V"). In 2008, the Company announced a proposed Qualifying Transaction. In July 2009, the TSX-V accepted the Company's Qualifying Transaction and filing statement, and the Company began trading on the TSX-V as a Tier 2 company under the symbol ECC. The Company's principal business activities are the identification, exploration and development of economically viable mineral properties.

HIGHLIGHTS DURING 2018

- The Company completed a National Instrument 43-101 compliant report for the Company's La Purisima project, located in Chihuahua, Mexico.
- Entered into an option to purchase agreement whereby the Company has the right to acquire 897 hectares of mineral concessions contiguous to the Company's La Purisima project, located in Chihuahua, Mexico. Refer to Exploration Update for more information.
- Entered into an option to purchase agreement whereby the Company has the right to acquire a 100% interest in three vanadium projects in north eastern British Columbia. Refer to Exploration Update for more information.
- The completed a flow through financing raising gross proceeds of \$1,960,000.
- As at December 31, 2018, the Company had cash of \$7.64 million and a working capital balance of \$7.44 million.

EXPLORATION UPDATE

La Purisima, Mexico

On November 24, 2017, the Company, through its wholly owned Mexican subsidiary, Compañía Minera Roca Dorada, S.A. de C.V. ("Roca Dorada"), entered into an option to purchase agreement whereby the Company has the right to acquire a 100% interest in the La Purisima project, located in Chihuahua, Mexico (the "Property"). Pursuant to the option purchase agreement, the Company can exercise the option to acquire 100% of the Property by making cash payments totaling US\$3,495,000; issuing 3,000,000 common shares of the Company over a 72-month period and upon exercising the option grants a 2% net smelter returns royalty of which 1% can be repurchased for US\$1 million.

The Property, is located in the north central part of Chihuahua State, approximately 250 km northwest of the City of Chihuahua, and 50km northeast of Nuevo Casas Grandes, and comprises the following mineral concessions:

- concession title no. 210791 which conveys mining rights to the mineral claim “Minas de la Purisima” with a surface area of 280.0 hectares, valid from November 25, 1999 to November 24, 2049;
- concession title no. 191779 which conveys mining rights to the mineral claim “La Aurora” with a surface area of 390.0 hectares, valid from December 19, 1991 to December 18, 2041; and
- concession title no. 226908 which conveys mining rights to the mineral claim “Serena 1” with a surface area of 100.0 hectares, valid from March 31, 2006 to March 30, 2056. Access to the Property is by 15km of paved road from Nuevo Casas Grandes and then 60km of gravel

Access to the Property is by 15km of paved road from Nuevo Casas Grandes and then 60km of gravel road. The paved road exits from State Highway 10, immediately north of Nuevo Casas Grandes.

The Property is in a zone of mine development controlled by a prominent family from northern Chihuahua that has maintained the concessions in good standing for many years. The existing underground mine workings include development to a depth of approximately 50 meters, with gold mineralization present within a broad structural zone trending north south. An epithermal low sulfidation vein system is present over a strike length of over 1.50 kilometers and about 200 meters of width exposure. Extension of this dimension of principle interest is likely to expand across a covered valley and to both sides of the zone.

The Property saw limited drilling in both 1992 and 1997-98 by, respectively, Teck Resources and CRM, the Mexican government mining-exploration agency. Gold-bearing intercepts were obtained in both programs and these historic results will be compiled and posted to the Ethos website, subject to compliance with and qualifications required by NI 43-101. Only minor parts of core obtained by drilling done by CRM were analyzed even though many areas contained chalcedonic quartz veining. The true widths of these reported intersections are not known. The Company continues to evaluate this historic information and will report any further information on the inclination, true width, and depth of this data if and when it becomes available.

Based on site evaluation and a preliminary review of historic data, the mineralization is interpreted to be part of a large low sulfidation gold and silver bearing deposit centered around a young Tertiary age mineralization system.

On August 24, 2018, the Company, through its wholly owned Mexican subsidiary, Roca Dorada, entered into an option to purchase agreement whereby the Company owns the right to acquire a 100% interest in 897 hectares of mineral concessions contiguous to the Company’s La Purisima project, located in Chihuahua, Mexico. This acquisition of the additional 897 hectares increases the Company’s La Purisima project concession area to 1,667 hectares, or 16.67 square kilometers. The new concessions cover additional areas of gold mineralization, and the Company believes would likely have significant benefits for the development of the La Purisima project should an economic deposit be discovered.

The Company’s 43-101 Technical Report for its initial 770 hectare La Purisima concessions, dated May 19, 2018 (as amended July 5, 2018), prepared for the Company by P.C. Gibson, Ph.D., CPG, was filed on SEDAR on July 27, 2018.

The Company is currently undertaking a trenching and sampling program with the intention of carrying out an initial drill program upon analysis of the results.

Vanadium Property, British Columbia

On July 31, 2018, the Company entered into an option agreement to acquire a 100% interest in three vanadium projects (Pine Pass, Ursula and Tunnel) in north eastern British Columbia. The Company can earn a 100% interest in the three projects by making cash payments of \$1,000,000 and issuing 3,000,000 common shares of the Company over a four-year period.

If the Company completes the 100% acquisition of the three properties by making the above cash payments and share issuances the Company will grant to the vendors a 2.0% Net Smelter Return (“NSR”) royalty on all three projects, of which half can be repurchased at any time by the Company by paying the vendors \$1,500,000.

On March 29, 2019, the Company received notice from the Province of British Columbia that the mineral tenures making up its Pine Pass vanadium project, located on the John Hart Highway between Mackenzie and Chetwynd, B.C., are included in an area under consideration for an immediate moratorium on development proposals and possible inclusion in an expanded environmental protected area. This notice was issued to the Company in the context of negotiations between the B.C. Provincial Government, the Canadian Federal Government, Saulneau First Nations and West Moberly First Nations, that have resulted in a draft Intergovernmental Partnership Agreement relating to conservation and recovery efforts for the Central Group of Southern Mountain Caribou (the “Partnership Agreement”).

The Province has advised the Company that, “The draft Partnership Agreement proposes immediate interim habitat protection measures for critical areas, an expansion of the Twin Sisters (Klinse-za) Protected Area, additional habitat protection in core areas, and operational recovery and restoration measures.” Furthermore, the Province has cautioned the Company that, if the Partnership Agreement comes into force, then the Company’s mineral tenure, “... may be impacted by the new land protection and regulatory measures that are under consideration”. Additional details on the Partnership Agreement including on the related consultation process are available online at the Provincial Caribou Recovery Engagement Portal:

<https://engage.gov.bc.ca/caribou/section11agreement/>

The Company is preparing a submission to respond to the draft Partnership Agreement, conveying its significant concerns about the proposed measures and to recommend amendments to mitigate the impact on its Pine Pass vanadium project. Submissions are due by April 26, 2019.

The Company’s Mines Act Permit application for its planned 2019 Pine Pass exploration program was submitted to provincial regulators on February 4th, 2019, and presently is pending. Based on recent discussions between the Company and its regulatory contacts, the Company understands that, for the time being, exploration permit applications are being processed in the ordinary course. Until the Company has more certainty about the impacts of the Partnership Agreement on its Pine Pass and Ursula vanadium projects, it will continue to maintain its projects in good standing. However, given the risk that the proposed Partnership Agreement, if instituted, will result in new land protection and regulatory measures that could prevent or materially impair those projects, the Company will curtail making any new material expenditures.

Pine Pass Project

The Pine Pass project is located within a 3950 Ha claim block 104 km by paved highway from MacKenzie, British Columbia. Access is excellent, with the John Hart Highway 97 passing through the southern portion of the claim area. Power, gas and rail lines also pass along this corridor. Vanadium bearing horizons within phosphatic shales of the Toad Formation were located by Canex Placer on the Pine Pass property in 1976. Sampling programs conducted by D.C. Rotherham, P.Eng. in 1987 and 1990 found concentrations of up

to 0.82% V_2O_5 within a broad 200 meter wide vanadium bearing section with an indicated true thickness of approximately 100 meters. The Pine Pass claims cover the extension of the vanadiferous horizon(s) for approximately 10 kilometers along the length of a northwesterly trending syncline. Based on the preliminary stratigraphic mapping of the syncline and very limited sampling to date of the vanadiferous horizon(s) the conceptual exploration target at Pine Pass is an open pit resource in the range of 30 to 50 million tonnes of 0.5 to 0.7 % V_2O_5 . Note that there is no resource currently defined on the project, that this is a conceptual target only and that to date there is no more advanced work to indicate resource potential on the property. A trenching and sampling program was completed during the latter part of 2018, with initial results press released November 1st 2018. For details on all previously reported results please see the Company's filings on SEDAR.

Ursula Project

The Ursula claim block covers an area of 3560 Ha on the north shore of Peace Reach, approximately 88 km by boat west of Hudson Hope. The claim block is accessed by a logging road that parallels Ursula Creek. Initial prospecting, trenching and soil sampling completed during the latter part of 2018 has identified a 100 meter thick Ursula Creek section as being vanadiferous. Initial results were press released November 1st 2018. For details on all previously reported results please see the Company's filings on SEDAR.

Tunnel Project

The Tunnel project is a small claim area located 40 km west of Tumbler Ridge, British Columbia. A number of rock samples in a reserve area adjacent to the prospect area have yielded values up to 0.83% V_2O_5 . The samples are described as black shale and are located on the westerly and easterly limbs of a northwesterly trending syncline.

The Company has completed a technical review of the Tunnel claims and has determined no further work is warranted. The Company did not renew the Tunnel claims in January 2019.

WC Property, Yukon

The Company staked a 44 mineral claim property in 2012. This property is surrounded by Western Copper's advanced Casino copper-gold project where a positive feasibility was completed in 2012. During 2012, the Company completed reconnaissance ridge-and-spur soil sampling that identified nine sample sites with anomalous gold and pathfinder elements. No other work or monies have been undertaken or spent since 2012. The Company's remaining Yukon claims expired during the year ended December 1, 2018.

SELECTED FINANCIAL INFORMATION

Fiscal Year ended	December 31, 2018	December 31, 2017	December 31, 2016
Total Revenue	Nil	Nil	Nil
Net Loss and Comprehensive Loss for the Year	\$1,220,911	\$629,630	\$699,533
Net Loss Per Common Share	\$0.03	\$0.01	\$0.02
Total Assets	\$8,436,184	\$7,330,097	\$7,782,092
Total Liabilities	\$444,419	\$165,134	\$26,772
Cash Dividends per Common Share	Nil	Nil	Nil
Number of Common Shares Issued and Outstanding	54,685,381	47,385,381	47,335,381

RESULTS OF OPERATIONS

Year ended December 31, 2018, compared to the Year ended December 31, 2017

The Company recorded a net loss of \$1,220,911 for the year ended December 31, 2018 (“Current Year”) (\$0.01 loss per common share) compared to a net loss of \$629,630 (\$0.01 loss per common share) for the year ended December 31, 2017 (“Comparative Year”), an increase of \$591,281.

In the Current Year, the Company incurred share-based payments, a non-cash expense, of \$334,768 compared to \$29,273 in the Comparative Year. The increase from the Comparative Year is the result of 3,000,000 share purchase options being granted and vesting immediately in the Current Year compared to 250,000 share purchase options being granted and vesting immediately in the Comparative Year.

In the Current Year, the Company incurred consulting fees of \$213,193 compared to \$393,233 in the Comparative Year. The Company had engaged additional consultants in the Comparative Year to identify business opportunities that would add value to the Company.

In the Current Year, the Company incurred exploration expenses of \$497,656 compared to \$nil in the Comparative Year. The Company initiated exploration activities on mineral properties under option in the Current Year.

In the Current Year, the Company incurred travel and expenses of \$26,960 compared to \$61,156 in the Comparative Year, which is the result of the Company decreasing travel in the Current Year and focusing operations on the exploration of its mineral properties under option.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial information from the Company's unaudited condensed interim financial statements for the last eight quarters.

Quarter Ended	Interest Income	Net Loss	Loss Per Common Share	Loss Per Common Diluted Share
31-Dec-18	\$28,466	\$ 258,648	\$0.01	\$0.01
30-Sept-18	\$28,839	\$ 332,520	\$0.01	\$0.01
30-Jun-18	\$23,466	\$ 450,203	\$0.01	\$0.01
31-Mar-18	\$21,616	\$ 179,540	\$0.00	\$0.00
31-Dec-17	\$21,416	\$ 212,654	\$0.01	\$0.01
30-Sept-17	\$18,516	\$ 123,518	\$0.00	\$0.00
30-Jun-17	\$14,650	\$ 161,844	\$0.00	\$0.01
31-Mar-17	\$14,287	\$ 131,614	\$0.00	\$0.00

There are no systematic identifiable factors that cause variations in the selected quarterly financial information.

FOURTH QUARTER 2018

Three months ended December 31, 2018, compared to the three months ended December 31, 2017

The Company recorded a net loss of \$258,648 for the three months ended December 31, 2018 ("Current Period") (\$0.01 loss per common share) compared to a net loss of \$212,654 (\$0.01 loss per common share) for the three months ended December 31, 2017 ("Comparative Period"), an increase of \$45,994.

In the Current Period, the Company incurred consulting fees of \$54,641 compared to \$136,200 in the Comparative Period. The Company incurred additional consulting fees in the Comparative Period as part of performing additional due diligence work on potential acquisition targets that ultimately resulted in the Company acquiring the La Purisima project in the fourth quarter 2017.

In the Current Period, the Company incurred exploration expenses of \$125,907 compared to \$nil in the Comparative Period as the Company was actively exploring its properties in Canada and Mexico in the Current Period.

In the Current Period, the Company incurred share-based payments, a non-cash expense, of \$45,920 compared to \$29,273 in the Comparative Period. The increase from the Comparative Period is the result of additional share purchase options being granted and vesting immediately in the Current Period when compared to the Comparative Period.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The material component of office and administrative expenses are:

	2018		2017
Directors Fees	\$ 9,600	\$	19,200
Dues and subscriptions	3,864		3,180
Insurance	11,713		9,336
Office	12,099		13,898
Investor relations	13,187		-
Telephone and IT services	1,112		5,075
	\$ 51,575	\$	50,689

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2018, the Company had a cash and cash equivalent balance of \$7,644,983 compared to a cash and cash equivalent balance of \$7,063,961 at December 31, 2017, an increase of \$581,022. Working capital at December 31, 2018 was \$7,448,276 compared to working capital of \$6,978,750 at December 31, 2017, an increase in working capital of \$469,526.

The Company is in the exploration stage and its source of working capital to date has been solely from the sale of its common shares. The Company has sufficient funds to fund its future administrative costs, acquisition, exploration or development costs of its' mineral project. Depending on the nature and scope of future exploration and development activities, the Company will likely need to raise additional working capital from the sale of additional common shares to meet its future exploration, development and administrative requirements.

The Company's financial liabilities, comprised of accounts payable, accrued liabilities, and amounts due to related parties, are all due on demand.

CONTRACTUAL OBLIGATIONS

None

OFF-BALANCE SHEET ARRANGEMENTS

None

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are recorded at the exchange amount as agreed to by the parties. Related party transactions not otherwise disclosed in these consolidated financial statements are:

- (a) The Company paid \$170,000 (2017 - \$284,550) in consulting fees to private companies controlled by certain directors and officers of the Company.
- (b) The Company paid \$nil (2017 - \$36,000) in rent to a private company controlled by a director of the Company.
- (c) \$12,900 is payable to two directors at December 31, 2018 (2017 – \$14,714) for consulting and director fees.
- (d) \$4,437 is receivable from a director at December 31, 2018 (2017 – \$nil) related to expenses reimbursable to the Company. Subsequent to December 31, 2018, \$4,437 was received by the Company.
- (e) On December 4, 2017, the Company issued a note payable in the amount of \$70,495 to a Company with a shared director (Note 4). The note payable bears interest of 10% per annum and is payable on demand. During the year ended December 31, 2018 the Company repaid \$74,283 in principle and accrued interest.

Key personnel compensation

	For the year ended	
	December 31, 2018	December 31, 2017
Consulting fees	\$ 170,000	\$ 284,550
Directors fees	9,600	19,200
Share-based compensation	269,775	29,273
	<u>\$ 449,375</u>	<u>\$ 333,023</u>

PROPOSED TRANSACTIONS

None.

RISKS AND UNCERTAINTIES

The Company has not commenced commercial operations and has no assets other than cash and mineral property agreements under option. It has no history of earnings, and it is not expected to generate earnings or pay dividends in the foreseeable future.

Metal Price Fluctuations

The potential profitability of the precious and base metal exploration projects in which the Company has an interest will be significantly affected by changes in the market prices of precious metals and vanadium. Prices for metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as the level of interest rates, the rate of inflation, central bank transactions, world supply of metals, foreign currency exchange rates, international investments, monetary systems, speculative activities, international economic conditions and political developments. The exact effect of these factors cannot be accurately predicted, but the combination of these

factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. Declining market prices for these metals could materially adversely affect the Company's operations and profitability.

Fluctuations in the Price of Consumed Commodities

Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity, cyanide and other reagents fluctuate affecting the costs of exploration in our operational areas. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or the timing and costs of various projects.

Foreign Exchange Rate Fluctuations

Operations may be subject to foreign currency exchange fluctuations. The Company to-date has raised its funds through equity issuances which are priced in Canadian dollars, and until recently the majority of the exploration costs of the Company were denominated in United States dollars and Mexican pesos. Its Yukon expenditures are currently primarily in Canadian dollars. The Company may suffer losses due to adverse foreign currency fluctuations.

Competitive Conditions

Significant competition exists for natural resource acquisition opportunities. As a result of this competition, some of which is with large, well established mining companies with substantial capabilities and significant financial and technical resources, the Company may be unable to either compete for or acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company will be able to acquire any interest in additional projects that would yield reserves or results for commercial mining operations.

Operating Hazards and Risks

Exploration activities may generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include, but are not limited to, the following: environmental hazards, industrial accidents, third party accidents, unusual or unexpected geological structures or formations, fires, power outages, labour disruptions, floods, explosions, cave-ins, land-slides, acts of God, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, war, rebellion, revolution, delays in transportation, inaccessibility to property, restrictions of courts and/or government authorities, other restrictive matters beyond the reasonable control of the Company, and the inability to obtain suitable or adequate machinery, equipment or labour and other risks involved in the normal course of exploration activities.

Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious metals and vanadium, any of which could result in work stoppages, delayed production and resultant losses, increased production costs, asset write downs, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Any compensation for such liabilities may have a material, adverse effect on the Company's financial position.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of the Company's

projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation or development of the Company's projects will be commenced or completed on a timely basis, if at all.

Exploration and Development

There is no assurance given by the Company that its exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or yield new reserves to replace or expand current reserves.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time, none of the Company's properties have any defined ore-bodies with proven reserves.

The economics of developing gold, silver, vanadium and other mineral properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of gold, silver, vanadium or other minerals produced, the Company may determine that it is impractical to commence or continue commercial production. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

Business Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that any future changes in environmental regulation, will not adversely affect the Company's operations. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. Environmental hazards that may have been caused by previous or existing owners or operators may exist on the Company's mineral properties, but are unknown to the Company at the present.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. The Company's claims may be subject to prior unregistered agreements or transfers, or native land claims, and title may be affected by unidentified or unknown defects. The Company has conducted as thorough an investigation as possible on the title of properties that it has acquired or will be acquiring to be certain that there are no other claims or agreements that could affect its title to the concessions or claims. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

Uncertainty of Funding

The Company has limited financial resources, and the mineral claims in which the Company has an interest or an option to acquire an interest require financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company so as to exercise its option or to maintain its interests once those options have been exercised. Further exploration work and development of the properties in which the Company has an interest or option to acquire depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its interests in mineral properties or reduce or terminate its operations.

Agreements with Other Parties

The Company has entered into agreements with other parties relating to the exploration, development and production of its properties. The Company may in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the costs required to complete recommended programs.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger properties and programs; (ii) acquire an interest in a greater number of properties and programs; and (iii) reduce their financial exposure to any one property or program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Third Party Reliance

The Company's rights to acquire interests in certain mineral properties have been granted by third parties who themselves may hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.

Assurance on Financial Statements

We prepare our financial reports in accordance with accounting policies and methods prescribed by IFRS and previously under Canadian GAAP. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies and practices are described in more detail in the notes to our audited annual financial statements for the year ended December 31, 2018. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, we have implemented and continue to analyze our internal control systems for financial reporting. Although we believe our financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

General Economic Conditions

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

Substantial Volatility of Share Price

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential dilution of present and prospective shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

CRITICAL ACCOUNTING POLICIES AND MANAGEMENT ESTIMATES

The preparation of financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to

be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of amounts receivable and deferred tax assets, impairment of assets, measurement of share-based payments and valuation of reclamation obligations.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from property and equipment.

Mineral interests and other assets owned are recorded at cost less accumulated depreciation and accumulated impairment losses. All direct costs related to the acquisition of mineral properties are capitalized until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. On the commencement of commercial production, net capitalized costs are charged to operations on a unit-of-production basis, by property, using estimated proven and probable recoverable reserves as the depletion base.

Although the Company has taken steps to verify title to the mineral properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

Exploration and evaluation expenditures, inclusive of exploration programs required under option agreements, net of incidental revenues, are charged to operations in the period incurred, until such time as it has been determined that a property has economically recoverable reserves and a decision to commence commercial production has occurred, in which case subsequent exploration expenditures and the costs incurred to develop a property are capitalized. Exploration and evaluation expenditures include value-added taxes and presumptive income taxes incurred in foreign jurisdictions when recoverability of these taxes is uncertain.

From time to time, the Company grants common share purchase options to directors, officers, employees and non-employees. The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. 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. Cash received on the exercise of share options is recorded in share capital and the related compensation included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Adoption of new accounting policies

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments, was issued to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. Classification is determined at initial recognition in one of the following categories: fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) or at amortized cost. In addition, the standard amended some of the requirements of IFRS 7, Financial Instruments: Disclosures, including the requirement for added disclosures about investments in equity instruments measured at FVOCI and guidance on financial liabilities and derecognition of financial instruments. The Company adopted the standard on January 1, 2018 and determined there is no impact to the timing or amounts of financial instruments recognized in the consolidated financial statements.

The Company has assessed the classification and measurement of its financial assets and financial liabilities under IFRS 9 and have summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Categories	
	IAS 39	IFRS 9
Cash and cash equivalent	Amortized cost	Amortized cost
Amounts receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Note payable	Amortized cost	Amortized cost

The following is the new accounting policy for financial instruments under IFRS 9:

Financial instruments

The Company recognizes financial assets and liabilities on the balance sheet when the Company becomes party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents is classified and measured at amortized cost.

Amounts receivable, accounts payable and accrued liabilities, and due to related parties

Amounts receivable, accounts payable and accrued liabilities, and due to related parties are non-interest bearing and are initially measured at fair value, subsequently recorded at amortized cost which approximates fair value due to the short term to maturity. Amounts receivable are classified as financial assets measured at amortized cost and accounts payable and accrued liabilities, and due to related parties are classified as financial liabilities measured at amortized cost.

Debt

The Company initially recognizes all financial liabilities at fair value and classifies them as subsequently measured at either FVTPL or amortized cost, as appropriate. For debt subsequently measured at amortized cost, the effective interest rate method is used. Debt required to be classified as FVTPL is measured at fair value on each financial period-end date with gains and losses flowing through the consolidated statement of

loss. For debt that is optionally classified as FVTPL, the part of the fair value change related to the Company's own credit risk is recorded in OCI rather than the consolidated statement of loss.

Impairment of financial assets

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, we measure the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derecognition of financial assets

Financial assets are derecognized when the investments mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized within other non-operating income. Accumulated gains or losses on financial assets classified as FVOCI remain within accumulated other comprehensive income.

New accounting standards issued but not yet effective

The IASB issued the following new pronouncements that may affect the Company's future financial statements. The Company has evaluated the new standard and does not anticipate any material impact from the adoption of this standard but will continue to monitor as the adoption period approaches.

- IFRS 16: Leases ("IFRS 16"): This standard replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019.

FINANCIAL INSTRUMENTS

The Company has identified several financial instruments that it utilizes in its day-to-day operations. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had the following common shares and stock options outstanding:

Common shares	54,685,381
Share purchase options	4,665,000
Share purchase warrants	8,876,470
Total Common Shares fully diluted	68,226,851