ETHOS GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 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 unaudited condensed interim consolidated financial statements of Ethos Gold Corp., ("the Company") for the three months ended March 31, 2018 and 2017 and the audited consolidated financial statements and the notes thereto for the year ended December 31, 2017. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as applicable to interim financial reports including International Accounting Standard 34 – Interim Financial Reporting. This MD&A was prepared with information available as of May 29, 2018. 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 has been actively seeking business opportunities in favorable jurisdictions that have the ability to add value to the Company.

During the three months ended March 31, 2018, the Company engaged a third-party consultant to begin working on a National Instrument 43-101 compliant report for the Company's La Purisima project, located in Chihuahua, Mexico.

As at March 31, 2018, the Company had cash of $6.9 million and a working capital balance of $6.8 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., entered into an option to purchase agreement whereby the Company owns 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. Compilation work is ongoing with exploration programs planned to begin in early 2018 to define the extent and mineralization zone with economic potential.

The historical exploration information described above is based on various historical reports and has not been independently verified by the Company. A Qualified Person (QP), as defined in NI 43-101, has not done sufficient work to classify any historical estimates as a current mineral resource, as defined in NI 43-101. Readers are cautioned that there has not been sufficient exploration in this instance to define a current mineral resource, nor is there certainty that further exploration will delineate a mineral resource on the Property.

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 44 mineral claims are 100% owned by the Company and will remain in good standing until to 2018 with no further expenditures.

RESULTS OF OPERATIONS

Three months ended March 31, 2018, compared to the three months ended March 31, 2017.

The Company recorded a net loss of $179,540 for the period ended March 31, 2018 ("Current Period") ($0.00 loss per common share) compared to a net loss of $131,614 ($0.00 loss per common share) for the period ended March 31, 2017 ("Comparative Period"), an increase of $47,926.

In the Current Period, the Company incurred consulting fees of $77,481 compared to $91,500 in the Comparative Period, a decrease of $14,019. The decrease is a result of the Company reducing the number of engaged consultants in the Current Period.

In the Current Period, the Company incurred exploration and project evaluation expenses of $67,979 compared to $nil in the Comparative Period, an increase of $67,979. The increase is due to the Company engaging geologists to perform work on the Company's La Purisima project, which was acquired in December 2017.

In the Current Period, the Company incurred professional fees of $22,164 compared to $4,473 in the Comparative Period, an increase of $17,691. The Company incurred additional legal fees in the Current Period as it begins to increase its activities in Mexico.

In the Current Period, the Company incurred travel expenses of $825 compared to $13,548 in the Comparative Period, a decrease of $12,723. The Company incurred additional travel expenses in the Comparative Period as it was more actively seeking business opportunities during that period.

In the Current Period, the Company earned interest income of $21,616 compared to $14,287 in the Comparative Period, an increase of $7,329. The increase is a result of the Bank of Canada increasing its interest rates since the Comparative Period.

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	Revenue	Net Loss	Loss Per Common Share	Loss Per Common Diluted Share
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
31-Dec-16	$14,625	$ 154,418	$0.01	$0.01
30-Sept-16	$14,533	$ 134,030	$0.00	$0.00
30-Jun-16	$14,960	$ 331,706	$0.01	$0.01

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The material component of office and administration expenses are:

	Three months ended March 31,			
		2018		2017
Directors Fees	$	2,400	$	7,200
Dues and subscriptions		1,070		788
Insurance		2,928		2,550
Office		1,200		3,002
Telephone and IT services		839		1,102
	$	8,347	$	14,642

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2018, the Company had a cash and cash equivalent balance of $6,911,453 compared to a cash and cash equivalent balance of $7,063,961 at December 31, 2017, a decrease of $152,508. Working capital at March 31, 2018 was $6,799,210 compared to working capital of $6,978,750 at December 31, 2017, a decrease in working capital of $179,540.

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 if it is able to find a suitable project. Depending on the type of project it acquires, 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

To keep the Company’s option to purchase agreement in good standing, whereby the Company owns the right to acquire a 100% interest in the La Purisima project, located in Chihuahua, Mexico, the Company has the following cash and share payment obligations:

	Cash	Shares
On date of signing (November 24, 2017)	US$45,000 (paid - $67,484)	50,000 (issued - $10,000)
12 months from the date of signing	US$100,000	100,000
24 months from the date of signing	US$250,000	250,000
36 months from the date of signing	US$350,000	350,000
48 months from the date of signing	US$500,000	500,000
60 months from the date of signing	US$750,000	750,000
72 months from the date of signing	US$1,500,000	1,000,000

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 financial statements are:

(a) The Company paid $67,500 during the three months ended March 31, 2018 (2017 - $67,500) in consulting fees to private companies controlled by certain directors and officers of the Company.

(b) The Company paid $19,341 during the three months ended March 31, 2018 (2017 - $nil) in consulting fees to a director of the Company that is included in exploration and project evaluation expenses.

(c) The Company paid $nil (2017 - $9,000) in rent to a private company controlled by a former director of the Company.

(d) $34,866 is payable to officers and directors at March 31, 2018 (December 31, 2017 – $14,714).

Key personnel compensation

	For the three months ended March 31, 2018	2017
Consulting fees	$ 86,841	$ 67,500
Directors fees	2,400	2,400
	$ 89,241	$ 74,700

PROPOSED TRANSACTIONS

None.

RISKS AND UNCERTAINTIES

The Company was only recently incorporated, 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.

Precious and Base Metal Price Fluctuations

The profitability of the precious and base metal operations in which the Company has an interest will be significantly affected by changes in the market prices of precious and base metals. Prices for precious and base 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 the precious and base 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 and base metals, 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 silver, gold 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 silver, gold 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 precious and base 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 various 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 International Financial Reporting Standards ("IFRS"). 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, 2017. 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 and silver 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
The final version of IFRS 9, Financial Instruments, was issued in July 2014 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	47,385,381
Share purchase options	2,665,000
Share purchase warrants	3,876,470
Total Common Shares fully diluted	53,926,851