WESTERN PACIFIC
RESOURCES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended February 28, 2019

1. General

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the audited annual consolidated financial statements of Western Pacific Resources Corp. ("the Company") for the year ended February 28, 2019. The following information, prepared as of June 14, 2019, should be read in conjunction with the Company's consolidated financial statements for the year ended February 28, 2019 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The reader is encouraged to review the Company's statutory filings on www.sedar.com and general corporate information.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

2. Forward Looking Information

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "will", "may", "should", "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance.

Forward-looking statements are not historical facts, and include but are not limited to:

a) Estimates and their underlying assumptions;
b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations, and market opportunities;
c) General industry and macroeconomic growth rates;
d) Expectations related to possible joint or strategic ventures; and
e) Statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

3. Company Overview

The Company is a Vancouver-based resource company seeking to acquire mineral properties in the Americas. The Company's principal focus is the acquisition of precious or base metal properties that are either producing assets or can be advanced to production relatively quickly. The company continues to pursue opportunities consistent with its strategy, but due to its financial position also continues to review its business strategy.

In August 2018, Arthur Brown resigned as Chairman and Director and Michael Callahan resigned as Chief Executive Officer, President and Director of the Company. Consequently, Jeff Sundar was appointed as Chief Executive Officer, President and Director and Jim Paterson was appointed as Director of the Company.

In October 2018, Jeff Dare was appointed as Director of the Company and Eddy Yu was appointed as Chief Financial Officer (see news release dated Oct 22, 2018 for more details).

In the year ended February 28, 2019, the Company completed a consolidation of the Company's share capital on the basis of one (1) new share for every ten (10) existing shares and further a one (1) to four (4) consolidation. All references to common shares and stock options in this MD&A reflect the share consolidations.

The Company's shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "WRP".

4. Property Review

Nizi Property, British Columbia, Canada

In January 2019, the Company negotiated an option agreement with an arm's-length third party to earn a 100% interest in the Nizi Property ("Nizi") located northeast of the community of Dease Lake in British Columbia, with six main zones of high-grade gold-silver vein-hosted mineralization.

The following are the terms of the signed Nizi option agreement:

Due Date	Cash Payment	Shares
On or before February 28, 2019	$10,000 (paid)	160,000*
On or before June 15, 2020	$100,000	
On or before June 15, 2021	$100,000	
On or before June 15, 2022	$100,000	
Total	**$310,000**	**160,000**

*160,000 shares were issued on March 8, 2019 subsequent to the year ended February 28, 2019.

As part of the agreement, the Company has committed to incur a total of $2,000,000 by October 15, 2023.

The Nizi property is subject to a 2.5% Net Smelter Royalty ("NSR"), of which 1% may be re-purchased for a cash payment of $2,000,000. This property is also subject to an Annual Royalty Payment commencing June 15th, 2022

Rock Springs Property, Nevada, USA

The Rock Springs Property ("Rock Springs") consists of 10 claims located in Elko County, Nevada. The property lies 45 miles north of Newmont's Long Canyon property, along the northwest edge of the Bald Mountain/Pequop Trend which includes the Long Canyon project and the Mineral Gulch property.

During the year ended February 28, 2019, the Company granted lease rights to Rock Springs to Newmont USA Limited ("Newmont") for a term of ten years. As per the agreement, Newmont shall make the following payments:

Due Date	Payment Amount (US$)
October 18, 2018 (Effective date of the agreement)	$40,000 (received)
October 18, 2019 (First anniversary of the agreement)	$20,000
October 18, 2020 (Second anniversary of the agreement)	$20,000
October 18, 2021 (Third anniversary of the agreement)	$20,000

Due Date	Payment Amount (US$)
October 18, 2022 (Fourth anniversary of the agreement)	$20,000
October 18, 2023 and each anniversary thereafter until the lease terminates	$25,000

During the year ended February 28, 2019, the Company received the first payment of $52,944 (US$40,000), $16,229 (US$12,669) of which was recorded as recovery of the exploration and evaluation assets balance (see the February 28, 2019 financial statements for more details). As per the agreement, the Company also retains a 1.5% Net Smelter Royalty ("NSR") on the production and sale of minerals from the Rock Springs Property. At any time prior to October 18, 2025, Newmont has the option to purchase one-third of the NSR for US$1,000,000 reducing the royalty payable to the Company to 1%.

Net Smelter Returns ("NSR") Royalty - Mineral Gulch Property, Idaho

The Mineral Gulch Property consisted of 345 claims in southeastern Cassia County in southern Idaho. In June 2016, the Company sold 100% of its interest in the Mineral Gulch Property to Liberty Gold Corp. ("Liberty"). Part of the consideration received was 0.5% NSR royalty on all future gold produced from the Mineral Gulch claims acquired. In conjunction with the sale of the Mineral Gulch Property, the Company assigned a 50% interest in the NSR royalty (0.25%) up to a maximum of US$2,300,000 to the Deer Trail Mining Company LLC ("DTMC"). In May 2018, the Company sold its remaining NSR of 0.25% to DTMC for proceeds of $20,579 (US$16,000).

5. Selected Annual Information

	2019 ($)	2018 ($)	2017 ($)
Interest income	88	183	14
Exploration expenditures	-	47,071	30,525
Loss from operations	(377,532)	(456,398)	(611,782)
Net income (loss)	(331,877)	(487,677)	6,712,898
Income (loss) per share	(0.21)	(0.31)	4.62
Share capital	11,112,697	11,112,697	11,112,697
Common shares issued	1,575,584	1,575,584	1,575,584
Weighted average shares outstanding	1,575,584	1,575,584	1,452,903
Total assets	119,781	52,011	366,217
Total current liabilities	760,737	458,546	322,897
Total non-current liabilities	-	-	-
Shareholders' equity (deficiency)	(640,956)	(406,535)	43,320
Cash dividends declared per common shares	-	-	-

6. Selected Quarterly Information

The following table provides information for the eight fiscal quarters ended February 28, 2019:

	Feb 28, 2019 ($)	Nov 30, 2018 ($)	Aug 31, 2018 ($)	May 31, 2018 ($)	Feb. 28, 2018 ($)	Nov 30, 2017 ($)	Aug 31, 2017 ($)	May 31, 2017 ($)
Exploration expenditures	-	-	2,277	-	-	19,214	19,632	8,225
General and administrative expenses	131,881	143,599	25,377	76,675	161,996	76,069	85,394	85,868
Net income (loss)	(131,948)	(106,673)	(32,540)	(60,716)	(176,793)	(103,652)	(89,581)	(117,651)
Basic and diluted income (loss) per share	(0.08)	(0.07)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)
Total assets	119,781	8,209	22,305	63,052	52,011	101,397	209,593	241,490
Total liabilities	760,737	610,017	517,874	528,192	458,546	356,952	359,084	308,011
Shareholders' equity (deficiency)	(640,956)	(601,808)	(495,569)	(465,140)	(406,535)	(255,555)	(149,491)	(66,521)

Exploration costs for the three quarters ended November 30, 2017 relate mostly to the investigation of new property opportunities while the costs for the other periods presented are largely care and maintenance activities on properties currently and previously held.

7. Results of Operations

Three Months Ended February 28, 2019

For the three months ended February 28, 2019, the Company recorded a net loss of $131,948 compared to $176,793 for the quarter ended February 28, 2018, a decrease of $44,845, triggered mainly by lower general and administrative expenses.

There were no exploration activities during the quarter ended February 28, 2019 as well as the comparative quarter.

General and administrative expenses for the three months ended February 28, 2019 totaled $131,881 as opposed to $161,996 for the comparative quarter of 2018, a decrease of $30,115 The difference between the quarters is mostly due to a decrease in management fees (2019 - $27,000; 2018 – $43,470), professional fees (2019 – $28,000; 2018 – $39,300), directors' fees (2019 - $9,000; 2018 – 11,330) as well as office administration expenses (2019 - $541; 2018 – $30,329). The lower expenses are a result of decreased operating activities of the Company during the quarter as compared to 2018.

Year Ended February 28, 2019

For the year ended February 28, 2019, the Company recorded a net loss of $331,877 compared to $487,677 for the year ended February 28, 2018, a decrease of $155,800. The current year results include a total gain of $54,490 relating to the sale of the Mineral Gulch NSR royalty ($20,579) and a lease payment for the Rock Springs Property ($33,911). The net loss for the comparative period included an impairment charge of $21,000 (2019 - $Nil) relating to the Liberty shares formerly held as an available-for-sale investment and a write-down of the reclamation bond of $16,431 (2019 - $Nil).

The lower net loss in 2019 as opposed to 2018 was also a result of recovered exploration expenditures on the Rock Springs property (see Section 4 of the MD&A). There were no other exploration activities during the year ended February 28, 2019 (2018 - $47,071).

General and administrative expenses for the current year totaled $377,532 compared to $409,327 for the comparative period, a decrease of $31,795. The main contributors to the decrease were lower management and director fees, office administration expenses and share-based payments:

- Management (2019 - $98,275; 2018 - $177,675) and directors' fees (2019 - $29,550; 2018 - $46,290) as well as office administration expenses (2019 - $15,728; 2018 - $47,510) fell due to the decreased operational activities as compared to the fiscal 2018 year.
- Share-based payments (2019 - $4,656; 2018 - $37,822) were lower than in the comparative period, as a result of options having substantially vested in prior periods with the last vested portion recorded in 2019. No new share-based payments were issued during the year ended February 28, 2019.

On the other hand, consulting fees increased to $114,000 (2018 - $Nil) and transfer agent and regulatory fees grew by $14,080 (2019 - $25,972; 2018 - $11,892) due to the Company engagement of new advisors and transition to the new management during the year ended February 28, 2019, which triggered increase in regulatory fees.

8. Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no cash flow from operations. During the year ended February 28, 2019, the Company sold its remaining NSR interest in the Mineral Gulch property for proceeds of $20,579 and leased out its Rock Springs Property recording a gain of $33,911 from the initial payment of $52,944 (US$40,000).

As at February 28, 2019, current assets were $14,039 of which $2,086 was cash and $11,953 represented taxes receivable from the Government of Canada, while current liabilities totalled $760,737, resulting in a working capital deficiency of $746,698. Current liabilities include $374,403 of loans, consulting and directors' fees owed to directors and $64,977 of management and professional fees and expense reimbursements owed to former and current officers of the Company.

The Company does not expect its current capital resources to be sufficient to cover its operating costs through the next twelve months and as such, will need to obtain additional capital resources. Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic conditions. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary capital to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

9. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration and development stage; as such, the Company is dependent on external financing to fund its activities. In order to pay for limited property care and maintenance and general administrative costs, the Company will spend its existing working capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

10. Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash invested in asset-based commercial paper.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. All of the Company's other short-term financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

c) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

i) Currency Risk

The Company is exposed to financial risk related to the fluctuation of foreign currency rates. The Company operates in Canada and the United States. A substantial portion of the Company's expenses are incurred in US dollars. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at February 28, 2019, the Company had the Canadian dollar equivalent of cash totalling \$367 (February 28, 2018: \$1,554) held in US dollars and liabilities totalling \$25,000 (February 28, 2018: \$393,038) owed in US dollars.

Based on the above net exposure as at February 28, 2019, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately \$2,537 in the Company's net income (loss) and comprehensive income (loss) for the year ended February 28, 2019.

ii) Interest Rate Risk

Interest rate risk consists of two components:

A. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

B. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As at February 28, 2019, the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with Canadian financial institutions. The Company considers this risk to be immaterial.

iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, currency risk, or equity price risk. The Company is not exposed to any other price risk.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

11. Related Party Transactions

The Company's related parties with transactions during the year ended February 28, 2019 and 2018 consist of directors, officers and the following companies with common directors:

Related party	**Nature of transactions**
FT Management Ltd.	Short-term loan
J Dare Consulting Ltd.	Director fees
Octavian Capital Corp.	Director fees
Sundar Consulting	Management fees

Balances and transactions with related parties not disclosed elsewhere in these consolidated financial statements are described below:

i) A total of $439,380 was owed to the related parties as at February 28, 2019 (2018 - $393,038). Those amounts consisted of the following:

			Year ended February 28, 2019		**Year ended February 28, 2018**
Current officers*	Management fees and expense reimbursements	$	57,039	$	-
Former officers and directors	Management fees		-		327,744
Former officers	Professional fees		7,938		-
Current officers and directors	Directors', consulting fees and loans	$	374,403	$	65,294

*During the year ended February 28, 2019, a change in the Company's directors and officers took place.

The amount of $374,403 representing directors' and consulting fees and loans includes the debt owed to former officers and directors, a two third of which was purchased by the two current directors and a remaining portion was acquired by a third party for a purchase price of $1 for each $10 of outstanding debt.

ii) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, and include certain of its directors and officers. Key management compensation, including amounts discussed above, comprises:

		Year ended February 28, 2019		**2018**
Management and professional fees	$	114,775	$	207,575
Salaries and benefits		11,250		18,000
Consulting fees		54,000		-
Directors' fees		29,550		46,290
Share-based payments		4,656		37,822
	$	**214,231**	**$**	**309,687**

12. Additional Disclosure for Venture Issuers Without Significant Revenue and Other Data

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss contained in its financial statements for February 28, 2019, which are available on SEDAR: www.sedar.com.

Additional information related to the Company is available for viewing at www.sedar.com and on the Company's website at www.westernpacificresources.com

13. Share Position and Outstanding Options

The Company's outstanding share and option positions as at June 14, 2019 are as follows:

	Number of Shares/Options	Exercise Price	Expiry Date
Common shares	1,735,584		
Stock options	25,750	$5.40	June 16, 2019
	7,500	$14.00	January 27, 2020
	5,000	$15.20	July 25, 2020
	7,125	$22.80	July 12, 2021
	27,500	$2.00	March 21, 2022
	72,875		
Fully diluted	**1,808,459**		

14. Adoption of New Accounting Standards and Amendments

IFRS 9 Financial Instruments

The Company adopted IFRS 9 – Financial Instruments ("IFRS 9"), which replaced IAS 39 - Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The effect of initially applying these standards did not have a material impact on the Company's financial statements.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial instruments. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit or loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI").

Fair value through profit or loss (“FVTPL”) – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income (“FVTOCI”) - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The following table shows the classification of the Company’s financial instruments under IFRS 9:

Financial instrument	IFRS 9 Classification
Cash	Fair value through profit and loss
Other receivables	Financial asset measured at amortized cost
Accounts payable and accrued liabilities	Financial asset measured at amortized cost
Due to related parties	Financial asset measured at amortized cost

This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. However, most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred

Amendment to IFRS 2 Share-based Payment

IFRS 2 Share-based Payment clarifies the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withholding tax obligations and modification to the terms and conditions of a share-based payment that changes the transaction from cash-settled to equity settled. This amendment did not have a material impact on the Company’s financial statements.

15. Accounting Standards, Amendments and Interpretations Not Yet Effective

The following new standards and interpretations have been issued by the IASB, but are not yet effective:

IFRS 16, Leases

On January 13, 2016, the IASB issued IFRS 16 Leases which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. IFRS 16 is effective for the annual period beginning March 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16. Management does not anticipate this standard to have a material impact on the financial statements.

IFRIC 23, Uncertainty over Income Tax Treatments

New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 “Income Taxes” when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. Management does not anticipate this standard to have a material impact on the financial statements.

16. Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's property does not have a known commercial ore deposit. The main operating risks include securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Title to Mineral Property Risks

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations or value it may obtain on disposition of an asset. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

The Company is currently operating in a country that has a stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates. A significant portion of the Company's expenditures are incurred in US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve 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 can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are generally low in the principal country of operation of the Company but changing social expectations could add new layers of risk to the viability of exploration and development properties.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

17. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

18. Proposed Transactions

There are no proposed transactions.

19. Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the annual financial statements before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors has approved the audited financial statements for the year ended February 28, 2019 and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.