# GETCHELL GOLD CORP.
# (formerly Wabi Exploration Inc.)

## MANAGEMENT'S DISCUSSION & ANALYSIS

## FOR THE THREE MONTHS ENDED JULY 31, 2018

## Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Getchell Gold Corp. (formerly Wabi Exploration Inc.) ("Getchell" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended July 31, 2018. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended April 30, 2018 and 2017, as well as the unaudited condensed interim financial statements for the three months ended July 31, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim period presented are not necessarily indicative of the results that may be expected for any future period.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Wabi's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity

The effective date of this report is September 18, 2018.

## Forward Looking Information

Certain information regarding the Company within Management's Discussion and Analysis ("MD&A") may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

## Nature of the Business and Overall Performance

Getchell Gold Corp. (formerly Wabi Exploration Inc.) ("Wabi", or the "Company") is a Canadian, junior resource company that holds a 0.5% Net Smelter Royalty ("NSR") in the Georgia Lake and Conway Properties located in the Thunder Bay Mining District, Ontario. Wabi also holds three claims in the Copper Mountain area of Princeton, BC.

The Company's shares are listed on the Canadian Securities Exchange ("CSE") and are trading under the symbol "GTCH".

Over the last five years, the global financial and commodity markets were characterized by extreme volatility as market participants reacted and responded to uncertainty and pessimism over the depressed North American and international economies. These circumstances have had an impact on the Company's operations and, in particular, on the economics of its existing exploration and evaluation projects, its strategy to evaluate and, if attractive, complete potential acquisitions and otherwise its ability to pursue growth opportunities. In the short-term, the Company is not actively carrying out any exploration activities on any of its claims due to the current lack of financial resources to do so.

The Company will continue to evaluate its strategic options and potential acquisitions and may, if conditions are favourable, seek to raise additional funds through a private or public offering of securities or debt as required.

## Financing

The Company did not complete any financing during the three months ended July 31, 2018.

## Selected Quarterly Financial Information

The following table sets out the selected financial information for the three months ended:

| | | **July 31, 2018** | | **April 30, 2018** | | **Jan 31, 2018** | | **Oct 31, 2017** |
|---|---|---|---|---|---|---|---|---|
| Total assets | $ | 13,630 | $ | 31,244 | $ | 37,822 | $ | 32,669 |
| Working capital | $ | (264,140) | $ | (259,840) | $ | (202,178) | $ | (188,667) |
| Net loss for the period | $ | 15,882 | $ | 45,502 | $ | 13,509 | $ | 25,411 |
| Loss per share | $ | 0.00 | $ | 0.00 | $ | 0.00 | $ | 0.00 |

| | | **July 31, 2017** | | **April 30, 2017** | | **Jan 31, 2017** | | **Oct 31, 2016** |
|---|---|---|---|---|---|---|---|---|
| Total assets | $ | 2,855 | $ | 3,988 | $ | 3,341 | $ | 2,722 |
| Working capital | $ | (217,262) | $ | (325,561) | $ | (310,410) | $ | (308,518) |
| Net loss for the period | $ | 7,312 | $ | 3,892 | $ | 3,892 | $ | 15,894 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Loss per share | $ | 0.00 | $ | 0.00 | $ | 0.00 | $ | 0.00 |

WABI reported no discontinued operations and declared no dividends for any period presented.

## Results of Operations

*General and Administrative*

Three months ended July 31, 2018 and 2017

The Company incurred a net loss of $15,582 for the three months ended July 31, 2018, compared to a net loss of $7,312 for the three months ended July 31, 2017. Details of the more significant changes over last year are as follows:

- An increase in professional fees to $4,754 (2017 - $2,680). Included in the amount is an increase in legal fees of $4,600; and
- An increase in office and general to $8,687 (2017 - $2,575). Included in this is an increase in D&O insurance of $2,430 and items relating to office and overhead related item. of $2,800.

As at July 31, 2018, the Company has cash of $4,990 (2017 - $714), sundry receivable of $4,567 (2017 - $2,141), prepaid expenses of $4,073 (2017 - $nil), accounts payable and accrued liabilities of $57,999 (2017 - $25,996), advances payable of $125,220 (2017 - $125,220), and a convertible debenture and interest on the convertible debenture of $69,551 (2017 - $68,901) for total working capital deficiency of $264,140 (2017 - $217,262).

## Liquidity and Capital Resources

This section should be read in conjunction with the unaudited condensed interim statements of financial position for the three months ended July 31, 2018, and the corresponding notes thereto.

The Company has total assets of $13,630 (2017 - $2,855). The primary assets of the Company are cash of $4,990 (2017 - $714), sundry receivable of $4,567 (2017 - $2,141), and prepaid expenses of $4,073 (2017 - $nil). The Company has no long-term liabilities and has working capital deficiency of $264,140 (2017 - $217,262).

The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company currently has no revenue to finance its operations. It is therefore required to fund its activities through the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $2,774,256. As at July 31, 2018, the Company had cash of $4,990 to settle current liabilities of $277,770.

To continue operations and to fund future obligations, the Company will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. There can be no assurance that the Company will be successful in its future fund-raising activities.

The Company relies on the issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

| | | July 31, 2018 | | April 30, 2018 | | Change |
|---|---|---|---|---|---|---|
| Cash | $ | 4,990 | $ | 19,211 | $ | (14,211) |
| Share capital | $ | 2,465,839 | $ | 2,465,839 | $ | - |
| Equity portion of convertible debenture | $ | 10,292 | $ | 10,292 | $ | - |
| Contributed surplus | $ | 33,985 | $ | 33,985 | $ | - |
| Deficit | $ | (2,774,256) | $ | (2,758,374) | $ | 15,882 |

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, including its flow-through obligations, and its exploration program.

## Critical Accounting Estimates

The preparation of the unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable that are included in the unaudited condensed interim statements of financial position;

## Future Changes in Accounting Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for the Company's accounting periods beginning on May 1, 2019 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following will be adopted when they become effective:

IFRS 16 Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and cumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied. The Company does not anticipate a significant impact on the financial results from adopting the standard.

### Accounting changes

During the three months ended July 31, 2018, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 2, IFRS 9, IFRS 15, IFRIC 22 and IFRIC 23. These new standards and changes did not have any material impact on the Company's financial statements

## Financial Instruments

Financial risk
The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

### (i) Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash is held with a Canadian Schedule A bank, from which management believes the risk of loss to be minimal.

Sundry receivable consists mainly of sales tax receivable from government authorities in Canada. Sundry receivable are in good standing as of July 31, 2018. Management believes that the credit risk with respect to financial instruments included in sundry receivable is minimal.

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at July 31, 2018, the Company had cash of $4,990 (2017 - $714) to settle current liabilities of $277,770 (2017 - $220,117). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

### (iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

*(a) Interest rate risk*

Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported net loss and comprehensive loss for the three months ended July 31, 2018.

*(b) Foreign currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

## Related Party Transactions

During the three months ended July 31, 2018, the Company entered into nil transactions with related parties.

For additional details of related party activity, please refer to Note 12 of the July 31, 2018 unaudited condensed interim financial statements.

## Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

## Proposed Transactions

Acquisition Transaction

During the year, the Company entered into an Arrangement Agreement with Buena Vista Gold Inc. ("BVG") an arms-length private Ontario corporation that through a wholly owned subsidiary holds several mineral properties located in Nevada. Pursuant to the Arrangement Agreement, the Company will acquire all of the issued and outstanding common shares of BVG in exchange for the issue of common shares by the Company. The Arrangement Agreement also contemplated the acquisition of all of the share purchase warrants and options of BVG in exchange for share purchase warrants and options of the Company. Upon completion of the transaction, BVG will become a wholly owned subsidiary of the Company. The proposed transaction is subject to approval by the Canadian Securities Exchange and by the shareholders of the Company and the shareholders of BVG. As of the date of this MD&A, the shareholders of BVG have approved the transaction. Additional information with respect to the proposed transaction including the Arrangement Agreement, NI 43-101 Report for one of BVG's mineral properties, and the audited consolidated financial statements of BVG for the years ended December 31, 2017 and 2016 are available on SEDAR at www.sedar.com.

Disposal Transaction

During the year, the Company entered into an agreement to sell the Company's three exploration and evaluation properties and net smelter royalty to an arms-length party. Consideration for the sale is the extinguishment of the convertible debenture including accrued interest thereon, and the extinguishment of advances payable. The transaction is contingent upon and will be effective on the date of the closing of the BVG Acquisition Transaction.

## Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, cash equivalents, sundry receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## Outstanding Share Data

As of the date of this MD&A, the Company has 21,964,403 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 400,000 common shares expiring September 2022 and exercisable at $0.07 per common share and, (b) share purchase warrants to purchase an aggregate of 286,000 common shares expiring originally on September 11, 2018 exercisable at $0.07 per common share. The expiry date of the warrants has been extended to December 31, 2019.

For additional details of share data, please refer to Notes 9 and 10 of the July 31, 2018 unaudited condensed interim financial statements.

## Capital Management

The Company's objectives when managing capital are as follows:

i) To safeguard the Company's ability to continue as a going concern;
ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirements. The capital structure of the Company is comprised of shareholders' equity which includes share capital, warrants, contributed surplus and deficit. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilized annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

## Risks and Uncertainties

Liquidity and Additional Financing

The Company has limited financial resources and no current revenues. There can be no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Resulting Issuer to reduce or terminate its operations.

Regulatory Requirements

Even if the Company's properties are proven to host economic reserves of gold or other precious or non-precious metals, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits. Exploration and mining activities may be affected in varying degrees by government policies and regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Reliance on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the *Business Corporations Act* (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies 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, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Share Price Volatility

Recently, securities markets in North America have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration and development stage 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. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or such fluctuations will not materially adversely impact on the Company's ability to raise equity capital without significant dilution to its existing shareholders, or at all.

General Economic Conditions

Recent events in the global financial markets have had a significant impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. A continued or more profound slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending/confidence, employment rates, business conditions, inflation, fuel and energy, consumer debt levels, lack of available credit, the state of the financial markets, sovereign debt issues, interest rates, and tax rates may adversely affect the Company's growth and profitability.

More specifically, the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity, and the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities.

Financial Resources

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. Future property acquisitions and the future exploration/development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public/private financing, or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Dilution

The Company may require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

## Commitments and Contingencies

### Environmental Contingencies

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

### Commitment

On September 25, 2017, the Company entered into a letter of intent ("LOI") with Buena Vista Gold Inc. ("BVG"), a Canadian private company, for a proposed share exchange whereby the Company will consolidate all of its existing shares on the basis of 6 Getchell shares for 1 new Getchell share and then issue new shares of Getchell to the shareholders of BVG on the basis of 1 Getchell share for 1 share of BVG. In consideration of the Company signing the LOI, BVG made a non-refundable payment to Getchell in the amount of $25,000. On November 14, 2017, the Company entered into an arrangement agreement. Immediately following the merger, the shareholders of BVG would control approximately 85% of Getchell. The transaction is subject to shareholder and regulatory approval. The arrangement agreement was extended to April 1, 2018 and was extended again on several occasions to October 31, 2018. BVG has received all necessary shareholder approvals required to complete the merger.

## Subsequent Events

On August 27, 2018, the Company and Buena Vista Gold Inc. extended the termination date of the previously announced Arrangement Agreement disclosed in Note 14 to October 31, 2018. As consideration for the extension, the Company received a fee in the amount of $40,000.

On August 9, 2018, the Company extended the expiry date of 286,000 warrants to December 31, 2019.

Subsequent to the period end, the convertible debenture was extended to August 3, 2019.

## Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.