

Admiral Bay Resources Inc.

MANAGEMENT DISCUSSION & ANALYSIS

FORM 51-102F1

For the nine-month period ended April 30, 2018

June 26, 2018

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the nine-month period ended April 30, 2018, compared to the nine-month period ended April 30, 2017. This report prepared as at June 26, 2018 intends to complement and supplement our condensed interim financial statements (the "financial statements") as at April 30, 2018 and should be read in conjunction with the financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements and accompanying notes for the year ended July 31, 2017, which have been prepared in accordance with International Financial Reporting Standards.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Admiral Bay", we mean Admiral Bay Resources Inc., as it may apply.

OVERVIEW AND DESCRIPTION OF BUSINESS

Admiral Bay Resources Inc. ("the Company") was originally incorporated under the name Riviera Explorations Ltd. pursuant to the Business Corporations Act (British Columbia) on September 3, 1987. In 1993 the Company changed its name to Kentucky Oil & Gas Inc., and in 1994 to Integrated Card Technologies Inc., in 1997 to Arizona Ventures Ltd., and on August 31, 1998 to Admiral Bay Resources Inc. The Company was a listed issuer on the TSX-V under the symbol "ADB". On December 6, 2011 a Cease trade order was issued by the director of the BCSC for not meeting the required financial statements filing requirements.

On February 23, 2016, the BCSC issued a Partial Revocation Order to solely permit each of the Definitive Agreement, including the Funding Provision, and the Reorganization Agreement. The Company proposed to negotiate a definite agreement to enter into an amalgamation agreement with an Alberta Corporation and a British Columbia Corporation, both to be created, the Reorganization Agreement. The Definitive agreement would also contain the Funding Provision to cover the costs to bring the required filings up to date. The Definitive Agreement was not completed.

On May 16, 2018, the Company received the following revocation orders:

- Revocation Order dated May 16, 2018 from the British Columbia Securities Commission to a Cease Trade Order ("CTO") previously issued December 11, 2011; and
- Revocation Order dated May 16, 2018 from the Alberta Securities Commission to a CTO issued March 5, 2012.

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OVERVIEW AND DESCRIPTION OF BUSINESS (CONTINUED)

The CTOs were issued by the BCSC and the ASC (“the Commissions”) on December 6, 2011, as a result of the failure of the Company, under its previous management, to file annual audited financial statements and related management discussion and analysis within the required time. The Company has addressed all of the outstanding filing deficiencies and brought its continuous disclosure records on SEDAR up to date. As a condition for receiving the revocation orders, the Company has provided the Commissions with an undertaking to hold its annual shareholders' meeting within three months after the CTOs are revoked

Management is currently seeking new opportunities as it does not hold any material resource property interests at this time.

Admiral Bay’s registered office is located at 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

Equity

During the nine-month ending April 30, 2018 and 2017 and to date of this MD&A there were no equity transactions.

OVERALL PERFORMANCE

The Company had no revenue and reported a net loss and comprehensive loss of \$22,323 (2017 - \$13,250).

During the nine-month period ended April 30, 2018, the Company obtained three separate loans for total gross proceeds of \$31,526.

RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of quarterly results conform to IFRS standards

	Three-month period ended April 30,		Nine-month period ended April 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Administrative Expenses				
General and administration	19	-	355	-
Professional fees	1,620	1,500	5,005	12,700
Rent	3,000	-	9,000	-
Transfer agent and filing fees	5,964	550	7,963	550
	10,603	2,050	22,323	13,250
Net (loss) and comprehensive (loss) for the periods	(10,603)	(2,050)	(22,323)	(13,250)

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RESULTS OF OPERATIONS (CONTINUED)

For the nine-month period ended April 30, 2018 compared to the nine-month period ended April 30, 2017

The Company recorded net loss of \$22,323 for the nine-month period ended April 30, 2018 compared to a net loss of \$13,250 for the nine-month period ended April 30, 2017. Some of the significant charges to operations are as follows:

- General and Administration expenses of \$355 (2017 - \$Nil) consisted mainly of bank charges as new bank accounts were opened for the Company.
- Professional fees of \$5,005 (2017 - \$12,700) decreased by \$7,695 mainly due to the accounting charges that was higher in the prior year incurred in the previous period to bring the accounting records & financial statements up to date.
- Rent expense of \$9,000 (2017 - \$Nil) incurred for the current period. The Company had no rental obligations in the prior year.
- Transfer agent and filing fees of \$7,963 (2017 - \$550). An increase of \$7,413 was incurred in the nine-month period ended April 30, 2018 to comply with its regulatory filing requirements to bring the Company into good standing.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	Apr 30 2018 \$	Jan 31 2018 \$	Oct 31 2017 \$	Jul 31 2017 \$	Apr 30 2017 \$	Jan 31 2017 \$	Oct 31 2016 \$	Jul 31 2016 \$
<i>Deficit and Cash Flow</i>								
Interest revenue	-	-	-	-	-	-	-	-
Net income (loss)	(10,603)	(6,835)	(4,885)	(1,500)	(2,050)	(1,500)	(9,700)	(2,313)
Basic and diluted gain (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<i>Balance Sheet</i>								
Total Assets	12,838	20,232	2,821	2,652	2,652	2,652	2,652	1,326

Over the last eight quarters operational expenses fluctuated mainly due to professional fees and rent charges. Management has made an effort to preserve cash spending on general and administrative expenses. The quarter ending April 30, 2018 showed increased expenses as it includes additional costs incurred to bring the Company's required filings up to date and filing fees. All previous quarterly results have been consistent.

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LIQUIDITY AND CAPITAL RESOURCES

The condensed interim financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through loans, debentures and future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise future plans depending on its working capital position.

As at April 30, 2018 the Company had a negative working capital of \$55,944 (July 31, 2017 - \$33,621). Current assets primarily consisted of cash \$8,301 (July 31, 2017 - \$Nil), receivables of \$4,537 (July 31, 2017 - \$2,652). Current liabilities, being loans \$31,526 (July 31, 2017 - \$Nil), accounts payable and accrued liabilities as at April 30, 2018 amounted to \$37,256 (July 31, 2017 - \$36,273).

Cash flow Analysis

Operating activities

During the nine months ended April 30, 2018 and 2017, cash used in operating activities was \$23,225 and \$Nil, respectively. The increase is primarily due to greater spending on operational activities as discussed above.

Financing activities

During the nine-month period ended April 30, 2018 the Company obtained three separate loans for total gross proceeds of \$31,526. The loans are unsecured, non-interest bearing and due on demand. The Company had no cash and these loans enabled the Company to pay for necessary expenses as they occur in the process to comply with its regulatory filing requirements to bring the Company in good standing.

TRANSACTIONS WITH RELATED PARTIES

The Directors and Officers of the Company are as follows:

Steven Tedesco	Director
Theo van der Linde	President, CEO & Director
Eugene Beukman	Corporate Secretary, CFO & Director
Joel Dumaresq	Director

Key management compensation was \$nil for the nine-month periods ended April 30, 2018 and 2017.

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TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

During the nine-month periods ended April 30, 2018 and 2017, the Company entered into transactions with related parties comprised of Directors, Officers and Companies with common Directors.

	Three-month periods ended		Nine-month periods ended	
	April 30, 2018	April 30, 2017	April 30, 2018	April 30, 2017
	\$	\$	\$	\$
Rent to company controlled by President & CEO	3,000	-	9,000	-
Total	3,000	-	9,000	-

The amounts due to related parties consist of the following as at April 30, 2018 and July 31, 2017:

	April 30, 2018	July 31, 2017
	\$	\$
Included in accounts payable	9,765	-
Included in loans payable	21,526	-
Due to related parties	31,291	-

An amount of \$21,526 (2017 - \$Nil) is included in loans due to related parties above and it is for working capital purposes. The amounts due to the related parties are unsecured, non-interest bearing and due on demand.

FINANCIAL INSTRUMENTS

Financial instruments are defined as a contractual right or obligation to receive or deliver cash on another financial asset. The Corporation recognizes financial instruments based on their classification. Depending on the financial instrument's classification, changes in subsequent measurements are recognized in net loss or other comprehensive loss.

A description of the financial instruments, their fair value and risk management is included in the Company's interim financial statements for the period ended April 30, 2018 filed on SEDAR at www.sedar.com.

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OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

Outstanding Share Data

The table below presents the Company's common share data as of June 26, 2018.

	Number of common shares	Share Price	Expiry Date
Common Shares, issued and outstanding *	5,142,226	N/A	N/A
Stock options convertible into common shares	Nil	N/A	N/A
Warrants convertible into common shares	Nil	N/A	N/A
Total outstanding – fully diluted	5,142,226	N/A	N/A

RISKS AND UNCERTAINTIES

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations. The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. 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, especially in today's volatile and uncertain financial markets. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Admiral Bay's general and administrative expenses is provided in the Company's statement of loss and note disclosures contained in its interim condensed financial statements for the nine-month period ended April 30, 2018. These statements are available on SEDAR - Site accessed through www.sedar.com.

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ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE (CONTINUED)

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Proposed Transactions

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of certain properties.

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 financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A.

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Forward Looking Information

Certain statements in this document constitute “forward-looking statements” and are based on current expectations and involve risks and uncertainties, referred to above and or in Admiral’s interim condensed financial statements for the nine-month period ended April 30, 2018, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Examples of such forward looking statements include statements regarding financial results and expectations for 2018. This list is not exhaustive and should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein including, without limitation, under the heading “Risks and Uncertainties” and/or the financial statements, and include unanticipated and/or unusual events as well as actual results of planned exploration and development programs and associated risk. Many of such factors are beyond Admiral Bay’s ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Forward-looking statements are made based upon management’s beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. These forward-looking statements should not be relied upon as representing management’s views as of any date subsequent to the date of this MD&A. Additional information, including interim and annual financial statements, circulars and other disclosure documents, may also be examined and/or obtained through the Internet on SEDAR’s website at www.sedar.com.