Mezzotin Minerals Inc.

Management's Discussion and Analysis

For the Three and Nine Months Ended

September 30, 2018

This "Management's Discussion and Analysis" ("MD&A") has been prepared as November 29, 2018 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Mezzotin Minerals Inc. (the "Company" or "MMI"), for the three and nine months ended September 30, 2018 and the audited consolidated financial statements for the years ended December 31, 2017 and 2016. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") which are generally accepted accounting principles in Canada for reporting issuers and are reported in Canadian dollars unless otherwise stated.

Unless otherwise stated, all financial analysis, data and information set out in this MD&A are unaudited.

Cautionary Note Regarding Forward-Looking Statements

This MD&A includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business, and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward-looking statements are not historical facts but reflect the Company's current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below. Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Overview of the Business

The Company was incorporated on October 27, 2005 and became a reporting issuer as a Capital Pool Company on March 17, 2006. On May 10, 2011, Zoolander completed its Qualifying Transaction with the acquisition of Adsani Explorations (Pty) Ltd. ("Adsani"), a South African registered company, and its wholly-owned Zimbabwean subsidiary Mezzotin Investments (Private) Limited ("Mezzotin"). The acquisition constituted a reverse acquisition for accounting purposes.

Mezzotin's common shares are listed on NEX board of the TSX Venture Exchange under the symbol "MEZZ.H". The Company is a reporting issuer in British Columbia, Alberta and Ontario.

The Company previously held mining claims known as the Sabi Star Property ("Sabi Star"). Sabi Star is comprised of 30 rare earth exploration permits covering a total of 2,348 hectares. The property is located in Eastern Zimbabwe approximately 150 kilometres from Harare, the capital of Zimbabwe, and approximately 250 kilometres from the border of South Africa. The property is located on the Odzi Gold Belt, a known mineralization belt having historically produced gold, copper, tin, tantalum, niobium and diamonds.

The Company received approval from the shareholders at its Annual General Meeting in June 2018 to sell the mining claims and in November entered into a binding letter with a vertically integrated cannabis producer to effect a reverse takeover of the Mezzotin by the security holders of the target company.

As of the date of this MD&A, the directors and officers of the Company were:

Paul Ekon	President, CEO and Director
Christine He	Director
Shawn Mace	Director
Jason Chen, PhD	Director
Lawrence Schreiner, CPA, CA	CFO

Highlights and Summary

In the three and nine months ended September 30, 2018 the Company incurred net losses of $431,261 and $588,199, respectively, compared with net losses of $62,751 and $163,169, respectively in the corresponding periods of 2017. On a per share basis, in the three and nine months ended September 30, 2018 the Company incurred losses per share of $0.008 and $0.011, respectively on a weighted average basis, compared with $0.001 and $0.003 respectively in the corresponding periods of 2017. The loss in the period was substantially related to the loss of $380,537 on the sale of the Sabi Star properties.

On April 11, 2018 the Company announced that, subject to regulatory approval, it had agreed to issue 8,014,969 common shares at a deemed price of $0.05 per share to Hong Kong-based Max Mind Investment Limited ("Max Mind") to settle indebtedness owing to Max Mind. Max Mind, through a Zimbabwean subsidiary, holds the rights to develop the Company's Sabi Star rare earth project located in Eastern Zimbabwe through a Tribute Agreement signed in December 2015. On May 25, 2018 the Company settled debt, which included principal and accrued interest in the amount of $400,748 (US$314,831) which had been loaned to the Company pursuant to a Loan Agreement dated December 2015. Upon completion of the debt settlement, Max Mind controls approximately 14.1% of the outstanding common shares of the Company. All shares issued under the debt settlement transaction are subject to a 4-month hold period.

On May 9, 2018 the Company announced that a definitive agreement has been entered into by the Company's Zimbabwean subsidiary for the sale of its Sabi Star rare earth property (the "Property Sale") to a Zimbabwean subsidiary (the "Purchaser") of Hong-Kong based Max Mind Investment Limited ("Max Mind") for US$125,000.

Neither the property sale nor the debt settlement is conditional upon the completion of the other transaction.

By virtue of the debt settlement, Max Mind is considered to be a "related party" of the Company under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (the "Rule") and TSX Venture Exchange Policy 5.9 (the "Policy") and the proposed Property Sale is considered to be a "related party transaction" under the Rule and Policy. The Property Sale is however, exempt from the formal valuation requirements of the Rule and Policy as the Company's common shares are not listed on a specified stock exchange or market. In addition, the proposed Property Sale is exempt from the minority approval requirements of the Rule and Policy as the proposed transaction is supported by Paul Ekon, President and Chief Executive Officer of the Company and beneficial owner of approximately 52.6% of the outstanding common shares of the Company.

As the sale of the Sabi Star property will constitute the indirect sale of substantially all of property and assets of the Company, the proposed transaction was subject to the approval of shareholders holding not less than two-thirds of the common shares of the Company voting on the matter. An annual and special meeting of shareholders was held on June 25, 2018 at which time the shareholders voted in favor of the sale.

The sale of the property closed on September 28 2018 and the proceeds from the sale were used to retire debt owing to Max Mind Investment Limited.

At the June 25, 2018 meeting, the shareholders, in addition to approving the sale of the properties, elected the directors put forth in the information circular and approved a 10% "rolling incentive stock option plan. The shareholders also voted in favor of authorizing the Directors of the Company to effect a name change and to consolidate the number of shares outstanding only in the event of Mezzotin Minerals being reactivated through a reactivation transaction. Further information on these resolutions are available in the Information Circular which can be found at www.sedar.com.

Since the decision was made to sell the mining properties, the Company has been searching for assets or businesses in a broad range of sectors and industries to merge with or acquire to reactivate the Company and maximize value for shareholders. On November 13, 2018, the Company announced that it has entered into a binding letter agreement dated as of November 12, 2018 (the "Letter Agreement") with Salinas, California-based Indus Holding Company ("Indus"), a vertically integrated cannabis company with world-class production capabilities, including cultivation, extraction, manufacturing, brand sales & marketing, and distribution. The Letter Agreement outlines the proposed terms and conditions pursuant to which Mezzotin and Indus will effect a business combination that will result in a reverse takeover of Mezzotin by the security holders of Indus. (See section on Current/Proposed Transactions for additional details).

All matters of a material nature are made available at www.sedar.com .

Discussion of Operating Results

The following table summarizes the Company's operating results for the three and nine months ended September 30, 2018 and 2017:

(Unaudited)	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
Operating expenses	**2018**	2017	**2018**	2017
Consulting fees	**$ 10,500**	$ 12,250	**$ 38,500**	$ 35,000
Professional fees	**16,870**	17,688	**69,978**	35,089
Salaries and wages	**9,712**	5,558	**23,366**	17,393
Regulatory and shareholder	**(3,223)**	6,984	**21,021**	25,251
General and administrative	**6,216**	11,974	**22,686**	23,693
Loss on disposal of property	**380,537**	-	**380,537**	-
Depreciation	**8,434**	9,973	**26,439**	32,886
Operating Loss	**(429,046)**	(64,427)	**(582,527)**	(169,312)
Rental income	**-**	(2,819)	**-**	(8,822)
Finance income	**-**	-	**-**	(53)
Interest expense	**2,215**	1,143	**5,672**	2,732
Net loss	**$ (431,261)**	$ (62,751)	**$ (588,199)**	$ (163,169)

In the three and nine months ended September 30, 2018, the Company incurred losses of $431,261 and $588,199, respectively, compared with the $62,751 and $163,169, respectively, for the corresponding periods in the prior fiscal year. Included in the loss in the three months ended September 30, 2018, is the loss of $380,537 the Company incurred on the sale of the Sabi Star properties. The following sections discusses the expenses in more detail.

Consulting fees

Included in the consulting fees expenses in the three and nine months ended September 30, 2018, are fees of $10,500 and $38,500, respectively (2017 - $10,500 and $31,500) for management services including accounting, CFO and corporate secretarial services paid to an company controlled by an officer of the Company (see – Related Party Transactions).

Professional fees

Professional fees include amounts paid for legal, audit and other professional services. The following table sets out the professional fees by category:

(Unaudited)	**Three Months Ended Sept. 30**		**Nine Months Ended Sept. 30**	
Professional Fees	**2018**	2017	**2018**	2017
Legal	**$ 10,500**	$ 9,188	**$ 46,776**	$ 14,589
Audit	**5,000**	8,500	**18,407**	20,500
Other	**1,370**	-	**4,795**	-
Total Professional Fees	**$ 16,870**	$ 17,688	**$ 69,978**	$ 35,089

In the three and nine months ended September 30, 2018 the Company recorded legal fees of $10,500 and $46,776, respectively, compared with $9,188 and $18,407, respectively, in the corresponding periods of the prior year. The increase in legal costs relates to the debt conversion, property sale and AGM activities.

Audit fees for the year are accrued on a quarterly basis and include fees for audit and tax preparation services.

Salaries and wages

Salaries and wages relate specifically to security and maintenance costs incurred at Mezzotin Investments in Harare, Zimbabwe. The personnel are responsible for the property and infrastructures on the Sabi Star properties.

In the three and nine months ended September 30, 2018 the Company incurred cost of $9,712 and $23,366, respectively compared with $5,558 and $17,393, respectively, in the corresponding periods of the prior year.

The salary costs ended in August 2018 with the pending sale of the properties and the Company recorded a severance provision of $5,845 in the period.

Regulatory and compliance

This category of expense includes regulatory filing fees, costs associated with the annual general meeting, press releases and transfer agent fees. Any legal cost related to regulatory and compliance are included in professional fees.

In the three and nine months ended September 30, 2018, the Company incurred costs of ($3,233) and $21,021, respectively, compared with $6,984 and $25,251, respectively in the corresponding periods of the prior year. The negative expense in the current period reflects an adjustment of over accruals in prior periods.

General and administrative

General and administrative costs include office related costs such as rent, telephone, insurance, supplies as well as cost associated with general operations, repairs and maintenance at the properties. The following table sets out the costs in the major categories:

(Unaudited)	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
General and Administrative	**2018**	2017	**2018**	2017
Rent, telephone, supplies	**$ 2,292**	$ 4,619	**$ 6,516**	$ 14,222
Insurance	**2,745**	4,654	**14,134**	14,703
Repairs and maintenance	**-**	-	**-**	(9,387)
Other costs	**1,179**	2,701	**2,036**	4,155
Total General and Administrative	**$ 6,216**	$ 11,974	**$ 22,686**	$ 23,693

Rent relates to the rental costs for the Toronto office only. Rent is no longer being charged by a related company for the offices in Harare as of January 2018.

Loss on Disposal of Properties

On September 28, 2018 the Company concluded the sale of the Sabi Star properties to Max Mind Zimbabwe. The carrying value of the properties was $540,575 being the translated value of the expenditures capitalized under the Company's accounting policies. The proceeds on the sale of the property were $160,038 (US$125,000) and the resulting difference of $380,537 was recognized as a net loss in the period.

Depreciation

In January 2015, the Company began recording depreciation on all its Property and Equipment assets whether the asset was in use. The depreciation charge is intended to reflect the deterioration over time of the assets.

In the three and nine months ended September 30, 2018 the Company recorded depreciation of $8,434 and $26,439, respectively compared to $9,973 and $32,886, respectively in the corresponding periods of the prior year.

Rental income

Effective January 2018, the Company no longer provides a vehicle for rental income.

Deferred costs

In the three and nine months ended September 30, 2018 the Company did not defer any development charges. Under the terms of the tribute agreement, the developer company is responsible for all development charges as well as payment of land claim license fees which would otherwise be paid by the Company.

Quarterly Financial Information

The following table sets out the operating results for the last eight quarters:

	Revenue	Net Loss	Loss per share
September 30, 2018	Nil	$431,261	$0.008
June 30, 2018	Nil	$99,142	$ 0.002
March 31, 2018	Nil	$57,796	$ 0.001
December 31, 2017	Nil	$ 33,629	$ 0.000
September 30, 2017	Nil	$62,751	$ 0.001
June 30, 2017	Nil	$58,828	$ 0.001
March 31, 2017	Nil	$ 50,978	$ 0.001
December 31, 2016	Nil	$ 57,867	$ 0.001

In the three months ended September 30, 2018 the Company recorded a loss of $431,261. Included in this amount is the loss of $380,537 on the sale of the Sabi Star Properties. The loss in the period, excluding the loss on the sale of the properties would be consistent with prior periods.

In the three months ended June 30, 2018, the Company incurred a loss of 99,142. The increase in the loss is primarily attributable to an increase in professional fees related to the debt settlement and property sale agreements as well as costs related to the shareholders' meeting in June 2018

In the three months ended March 31, 2018, the Company incurred a loss of $57,796. The increase in the loss is primarily attributable to an increase in professional fees related to the debt settlement and property sale agreements.

In the three months ended December 31, 2017, the Company incurred a loss of $33,629. In the period, the Company reversed an accrued expense of $26,806 originally booked in a prior year and reducing the current quarter's loss.

In the three months ended September 30, 2017, the Company incurred a net loss of $62,751. The loss is higher than the previous quarter because of increased professional and consulting fees, as well as expenses related to the AGM held in July.

In the three months ended June 30, 2017, the Company incurred a net loss of $49,440. The loss reflects the ongoing costs of operations. There was no development activity on the Sabi Star properties by Max Mind in the quarter.

In the three months ended March 31, 2017, the Company incurred a net loss of $50,978. The loss reflects the ongoing costs of operations. There was no development activity on the Sabi Star properties while the developer is still working on its development plans.

In the three months ended December 31, 2016, the Company incurred a net loss of $57,867. The loss reflects the ongoing operating costs of the business. There was no development activity on the Sabi Star properties while the developer waited for the results of the initial testing carried out earlier in 2016.

Liquidity and Capital Resources

At September 30, 2018, the Company's cash balance was $27,587 (December 31, 2017 - $63,269). At September 30, 2018, the Company had a working capital deficit of $306,022 compared with a deficit of $229,207 at December 31, 2017.

The Company's financial liquidity has been supported primarily by its cash resources including loans from Max Mind Investment Limited. The Company has sold assets and paid down debt with the proceeds. The intention is to revert Mezzotin to a public shell and seek an operating company for amalgamation purposes.

The Company is taking steps to sell its properties, revert to a public shell and look for a target company with which to merge. On November 13, 2018 the Company announced it had entered into a binding letter agreement with Indus Holding Company to effect such a business combination. See – Pending Transactions.

The Company's investment practice may include investing cash balances in term deposits and bankers' acceptances. Any investment in short-term investments would be high quality instruments of financial institutions, providing the Company with very low levels of liquidity risk on its invested financial instruments.

Notes Payable

The Company has issued two promissory notes to Max Mind Investment Limited on March 6, 2018 and June 11, 2018 in the amount of US$50,000 and US$60,000, respectively. The notes are unsecured, payable on demand and bears interest at 5% per annum.

The proceeds of US$125,000 from the sale of the Sabi Star properties was applied against the balance of US$40,000 Loan Payable outstanding under the Loan Agreement and the balance of US$85,000 against the Notes Payable. As of September 30, 2018, the balance remaining owing on the Notes Payable was US$25,000 or $32,008 plus accrued interest of $5,532.

Long Term Debt

On December 31, 2015 the Company entered into a Loan Agreement with Max Mind Investment Limited, ("Max Mind") a Hong Kong based investment company, for a loan up to US$500,000. At the same time, the Company entered into a Tribute Agreement whereby a subsidiary of Max Mind would develop the Mezzotin properties and pay a royalty of 20% of pre-tax profits. The royalty payments were to be applied to the outstanding principal and interest outstanding under the Loan Agreement.

On April 11, 2018, the Company announced it has agreed to issue common shares to Max Mind Investment Limited, a Hong Kong investment company, to settle a portion of the indebtedness owing to Max Mind.

On May 25, 2018 the Company issued 8,014,969 common shares at a deemed price of $0.05 per share to Max Mind. The shares were issued as settlement for $400,748 of debt advanced to the Company under the December 31, 2015 Loan Agreement. The issue price was in excess of the market value but represents the minimum issue price under the TSX-V's debt settlement rules.

The balance of US$40,000 outstanding under the Loan Agreement was retired on September 28 from the proceeds of the Sabi Star property sale.

Share Capital

On May 25, 2018 the Company issued 8,014,969 common shares to Max Mind Investment Limited in conjunction with a debt settlement arrangement. Upon issue of the shares, Max Mind became a 14.1% owner of the company and is now considered a related party. As of the date of this MD&A, there were a total of 56,994,069 commons shares outstanding.

As at September 30, 2018 and the date of this MD&A, there were no options pursuant to the Employee Stock Option Plan or warrants issued or outstanding.

Capital Commitments

The Company does not have any material commitments for capital assets as of September 30, 2018 or as of the date of this MD&A.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as of the date of this MD&A.

Related Party Transactions

Related parties include the Board of Directors and officers of the Company and its subsidiaries including close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. It also includes any party not included above who may hold more than 10% of the common equity of the Company.

Following is a summary of the related party transactions for the three and nine months ended September 30, 2018 and the corresponding amounts for the prior year:

a) In the three and nine months ended September 30, 2018 the Company incurred costs of $10,500 and $38,500, respectively (2017 - $10,500 and $31,500 respectively) for executive and management services to a company controlled by an officer of the Company. The amounts are included in Consulting Fees.
b) On September 28, 2018 the Company concluded the sale of the Sabi Star properties to a company related to Max Mind Investment Limited, a company that owns more than 10% of the common shares of the Company. The transaction was in negotiation prior to Max Mind taking an equity position in the Company but closed after the debt conversion. The purchase price of US$125,000 was supported with independent valuations and the Board is satisfied it received full value for the properties. The proceeds from the sale of the properties were used to retire debt owing to Max Mind.
c) In the three and nine months ended September 30, 2018, the Company incurred interest expense of $2,215 and $5,672, respectively, compared with $1,143 and $2,732, respectively in the corresponding periods of the prior year on loans from a party related by virtue of its shareholdings.

Current/Proposed Transactions

Sale of Sabi Star Properties

On May 9, 2018, the Company announced a definitive agreement had been entered into by the Company's Zimbabwean subsidiary for the sale if its Sabi Star properties to a Zimbabwean subsidiary of Hong Kong based Max Mind Investment Limited (Max Mind), which at the time was an arm's length private investment company for a price of US$125,000. The Company had earlier announced a Debt Settlement Agreement with Max Mind.

Neither the sale of the properties nor the debt settlement is conditional upon the completion of the other transaction.

As the sale of the Sabi Star property will constitute the indirect sale of substantially all of property and assets of the Company, the proposed transaction was subject to the approval of shareholders holding not less than two-thirds of the common shares of the Company voting on the matter. An annual and special meeting of shareholders was held on June 25, 2018 in Toronto at which time the shareholders voted to approve the proposed Property Sale.

The requisite approvals were received, and the sale of the properties closed on September 28, 2018. The proceeds from the sale were used to repay debts owing to Max Mind Investment Limited.

Proposed Reverse Takeover of Mezzotin Minerals by Indus Holding Company

On November 13, 2018, the Company announced that it has entered into a binding letter agreement dated as of November 12, 2018 (the "Letter Agreement") with Salinas, California-based Indus Holding Company ("Indus"), a vertically integrated cannabis company with world-class production capabilities, including cultivation, extraction, manufacturing, brand sales & marketing, and distribution. The Letter Agreement outlines the proposed terms and conditions pursuant to which Mezzotin and Indus will effect a business combination that will result in a reverse takeover of Mezzotin by the security holders of Indus.

Completion of the Proposed Transaction is subject to a number of conditions, including, without limitation, receipt of all necessary shareholder, third party and regulatory approvals, satisfactory completion of due diligence, the execution of definitive transaction documents, the delisting of the common shares of Mezzotin from the NEX Board of the TSX Venture Exchange and conditional approval to list the equity shares (the "Resulting Issuer Shares") of the issuer resulting from the Proposed Transaction (the "Resulting Issuer") on the Canadian Securities Exchange (the "CSE").

It is anticipated that in connection with the Proposed Transaction, the existing common shares of Mezzotin ("Existing Mezzotin Shares") shall be redesignated as a new class of subordinate voting shares of the Resulting Issuer to be created ("Pubco Subordinate Voting Shares") on a basis that results in the holders of Existing Mezzotin Shares at the closing of the Proposed Transaction holding, in the aggregate, Pubco Subordinate Voting Shares having a value of CDN$2.25 million less the amount of Mezzotin's working capital deficiency (exclusive of certain transaction costs and liabilities), such valuation to be determined on the basis of the effective per share value of the Concurrent Financing converted to Canadian dollars.

Additional information and filings related to this proposed transaction can be found at www.sedar.com

Contingencies

In the three months ended September 30, 2018 Mezzotin ZIM received notification that its appeal of an assessment of interest in the amount of US$23,208 on unpaid duties was successful. The Company had been assessed duties with respect to the purchase of certain equipment and vehicles. The original assessment of duties has been disputed by the Company but after all appeals were exhausted, the duties were paid. The Zimbabwe Revenue Agency (ZIMRA) then assessed interest for the period the duties were being disputed and it is this interest that has been formally waived.

Financial Instruments

Fair Value of Financial Instruments

The Company has designated its cash as held for trading, which is measured at fair value. Fair value of marketable securities is determined based on transaction value and is categorized as Level 1 measurement. HST recoverable and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which approximates fair value. Accounts payable and accrued liabilities and property options payable are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also approximates fair value. Fair value of accounts payable and accrued liabilities and property options payable are determined from transaction values which were derived from observable market inputs. Fair values of accounts payable and accrued liabilities and property options payable are based on Level 2 measurements.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate for the notes payable is fixed and not pegged to any third-party reference.

Foreign Exchange Risk

The Company has exposure to foreign risk primarily with respect to the US Dollar. The Company's active subsidiary is located in Zimbabwe which in late 2015 announced the adoption of the Chinese Renminbi as its official currency. Because of restrictions in trade with respect to the Renminbi, commerce, and in particular international commerce is transacted in US Dollars. The Company does not hedge its foreign exchange risks.

Liquidity Risk

The Company manages liquidity risk by ensuring that all near cash and short term investments are in secure, high quality instruments with short term maturity dates to ensure that it will be able to meet liabilities when due.

New Accounting Pronouncements

The following amendments were adopted by the Company in the fiscal year:

Amendments to IAS 7, Statement of Cash Flows

In January 2016, the IASB issued amendments to IAS 7, Statement of Cash Flows. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. One way to meet this new disclosure requirement is to provide a reconciliation between the opening and closing balances for liabilities from financing activities. These amendments apply prospectively for annual periods beginning on or after January 1, 2017. The Company has adopted this amendment with no impact on the financial statements.

Amendments to IAS 12, Income Taxes

In January 2016, the IASB issued amendments to IAS 12, Income Taxes. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. The Company has adopted this amendment with no impact on the financial statements.

The following accounting pronouncements have been issued but are not yet effective. The Company has not early adopted these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

IFRS 9, Financial Instruments

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 will be effective as at January 1, 2018, with early adoption permitted. The Company does not believe this change will have a material impact on its financial results.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 to replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not believe implementing IFRS 15 will have a material impact on its financial results.

IFRS 16, Leases

IFRS 16 was issued in January 2016, replaces IAS 17, Leases. IFRS 16 results in most leases being reported on the balance sheet for lessees, eliminating the distinction between a finance lease and an operating lease and is effective for annual periods beginning on or after January 1, 2019. Under IFRS 16, all operating leases, except for short term and low value leases, are expected to be accounted for as finance leases. IFRS 16 also does not apply to leases to explore for or use mineral, oil, natural gas and similar non-regenerative resources. The Company does not believe IFRS 16 will have a material impact on the financial reporting of the Company.

Amendments to IFRS 2, Share-based Payments

The amendments add guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments. The amendments are effective for annual periods beginning on or after January 1, 2018, early adoption is permitted. The Company does not have any share based payments in the form or options or warrants outstanding and believes the amendments will not have a material effect on the financial reporting of the Company.

IFRIC 22, Foreign Currency Transactions and Advance Considerations

The Interpretations Committee of the IASB has issued IFRIC 22 which clarifies the accounting for transactions that include the receipt or payment in a foreign currency in advance consideration. The interpretation covers the foreign currency translations when an entity recognizes a non-monetary asset or non-monetary liability arising the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. IFRIC 22 is effective for annual reporting periods beginning on or after January 1, 2018, earlier adoption is permitted. The Company does not believe this interpretation will have a material impact on the financial reporting of the Company.

Risks and Uncertainties

An investment in the Company's shares should be considered highly speculative. An investor should carefully consider each of, and the cumulative effect of, the following risks and uncertainties and those noted in the annual MD&A accompanying the December 31, 2017 financial statements.

Reverse Take-over with Indus Holdings

The business combination with Indus Holding Company announce November 13, 2018 still requires a number of approvals and regulatory hurdles before closing. There is no guarantee that all the conditions will be met or if the closing will happen at all. Should the business combination not close, the Company would be required to source additional capital and look for another target company. There can be no assurance that the Company would be able to raise any additional capital or find another operating company with which to merge.

Financing Requirements

Notwithstanding the sale of the properties, the Company may require substantial additional financing to meet its obligations. When such additional capital is required, the Company may pursue sources of such capital through various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all, may not obtain the capital required by other means and failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of Company Shares or securities convertible into Company Shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of Company shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of Company shares or securities convertible into Company shares or the effect, if any, that future issues and sales of the Company shares will have on the price of the Company shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued Company shares or securities convertible into Company Shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Local Legal, Political and Economic Factors

The Company's operations have been conducted in Zimbabwe and, as such, have been exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Zimbabwe has a history of political and economic instability. This instability could result in new governments or the adoption of new policies, laws or regulations that might assume a substantially more hostile attitude toward foreign investment, including the imposition of additional taxes. In an extreme case, such a change could result in the termination of contract rights and expropriation of foreign-owned assets.

Historically Disadvantaged Aboriginal People

Zimbabwe is in the process of enacting legislation to assist people of aboriginal descent to overcome perceived historic economic disadvantages. The Indigenisation Act became law in Zimbabwe on April 17, 2008. The Indigenisation Act provides for all companies operating in Zimbabwe to arrange for 51% of their shares or interest therein to be owned by indigenous Zimbabweans, however, recent statements by the Zimbabwe government have indicated that companies will be required to relinquish a lower percentage.

On January 29, 2010, the Zimbabwe Government published regulations with respect to the Indigenisation Act that include the requirement for companies operating in Zimbabwe to provide specified information to the Minister of Youth Development, Indigenisation and Empowerment (the "Minister"), including an indigenisation implementation plan, by April 15, 2010. That information, together with responses from all sectors of the Zimbabwe economy, will be used as a basis for determining what amount less than 51% shall apply to any sector and subsector and the maximum period for achieving indigenization. The regulations require the Minister to complete the determinations by February 28, 2011. Mezzotin has filed the necessary documentation with the Minister. There is great uncertainty as to whether the legislation will be enforced in the current form and what impact it will have on companies like Mezzotin and/or the Company.

There is no guarantee that the legislation will be amended, requiring a dilution of the Company's interest in the Sabi Star Property in favour of previously disadvantaged persons. Were such a dilution required, there is no guarantee that the Company would be fully compensated for the interest given up.

In the March 2018 National Budget, the Zimbabwean government approved indigenization law amendments which, would appear to repeal the laws in their entirety with the exception of mining for platinum and diamonds. At this time, it is too early to determine the real extent of the change since the changes have not yet been fully tested.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in Zimbabwe. Environmental legislation is evolving in a manner that 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 existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Exchange Controls

Foreign operations may require funding if their cash requirements exceed operating cash flow. To the extent that funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. In addition, taxes and exchange controls may affect the dividends received from foreign subsidiaries. Exchange controls may prevent transferring funds abroad.

Foreign Subsidiaries

The Company is a holding company that conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent Company and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Additional disclosure for Venture Issuers without Significant Revenue

The requisite disclosure for Venture issuers without significant revenue has been addressed in the Discussion of Operations section.

Outstanding Shares

The following table outlines the equity securities of the Company and all other securities of the Company which are convertible into, exercisable or exchangeable for voting or equity securities as of the date of this MD&A:

	Number
Shares outstanding January 1, 2018	48,979,100
Issued May 25, 2018 re: debt settlement	8,014,969
Total shares outstanding as of this date	56,994,069
Issuable under warrants and options	nil
Total diluted common shares	56,994,069

Additional Information

Additional information including all material agreements relating to the Company, including the Company's 43-101 Technical Report can be found on SEDAR at www.sedar.com.