NEW WAVE ESPORTS CORP.

(formerly Trueclaim Exploration Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Nine Months Ended

September 30, 2019

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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations for New Wave Esports Corp. (formerly Trueclaim Exploration Inc. ("the Company") for the nine months ended September 30, 2019. It has been prepared as of November 25, 2019 and includes financial and other information up to the date of this report. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto of the Company for the nine months ended September 30, 2019. All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars.

The Company's MD&A contains forward-looking statements such as the Company's future plans, objectives and goals. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding the Company's business, potential mineralization and resources, exploration and development results and future business plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward- looking statements and information. Except as required under securities legislation, the Company does not undertake to update or re-issue the forward-looking statements and information that may be contained herein, whether as a result of new information, future events or otherwise.

Overview of the Company's Business

New Wave Esports Corp. (formerly Trueclaim Exploration Inc.),("The Company") was a mineral exploration company, engaged in the acquisition, exploration and development of precious and base metals properties in strategically located areas, with long history of mining in Ontario, with the Scadding Property Mine, and in Arizona, with the Gila County Property. The Company is a public company which has been listed on the TSX Venture Exchange (symbol "TRM"). The common shares of the Company also trade on the OTCQX marketplace.

The Company had not yet determined whether its mining properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mining properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to fund costs to complete the exploration and evaluation of its properties, and upon future profitable production or proceeds from the disposal of properties.

The Company was incorporated on May 17, 2006, by Certificate of Incorporation issued pursuant to the Provisions of the Business Corporations Act of British Columbia under the name "Stage Capital Inc.".

On March 30, 2007, the Company was classified as a capital pool corporation ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "TSX-V").

Overview of the Company's Business (Continued)

On July 22, 2008, the Company announced that it had entered into an arm's length letter of intent with Trueclaim Resources Inc. ("Trueclaim Resources") dated July 7, 2008, pursuant to which the Company and Trueclaim Resources proposed a business combination ("the Transaction") by way of an amalgamation, arrangement, take-over bid, or other similar form of transaction. This transaction was completed on December 18, 2008, pursuant to an arrangement agreement, as amended, (the "Arrangement") among the Company, Trueclaim Resources and 7048955 Canada Inc. ("Stage Subsidiary"), a wholly-owned subsidiary of the Company. Upon completion of the Arrangement, (i) Trueclaim Resources amalgamated with Stage Subsidiary (to form a company called "Trueclaim Resources Inc.") and (ii) all of the outstanding securities of Trueclaim Resources, including warrants, were exchanged for equivalent securities of the Company on a one-for-one basis. The Company issued an aggregate of 10,717,000 common shares and 2,790,650 share purchase warrants of the Company in connection with the Transaction. Following completion of the Arrangement, Trueclaim Resources Inc. became a wholly-owned subsidiary of the Company and the former shareholders of Trueclaim Resources hold a majority of the shares of the Company. The Transaction was accounted for as a reverse-takeover, therefore, all information in this MD&A referred to Trueclaim Exploration Inc. (formerly Stage Capital) for the period after the date of the Transaction. The Company changed its name from Stage Capital Inc. to Trueclaim Exploration Inc. following its annual general meeting held February 12, 2009.

The address of the Company's registered office is #575 – 510 Burrard Street, Vancouver, BC, V6C 3A8. The business office is now located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

New Wave Esports Corp. RTO Transaction

On October 24, 2019, the Company completed the Reverse Takeover transaction (the "Transaction") of New Wave Holdings (BC) Corp. (formerly, New Wave Esports Corp.) ("New Wave"). The Company will carry on the business of New Wave, which has amalgamated with a wholly-owned subsidiary of the Company. As part of the Transaction, the Company changed its name to "New Wave Esports Corp." and consolidated the common shares of the Company, on the basis of one (1) post-consolidation common share for every one and a one half (1.5) pre-consolidation common shares. The Company's common shares are now traded on the Canadian Securities Exchange (the "CSE") under the new ticker symbol "NWES" effective October 28, 2019. The fiscal year-end of the Company is changed to March 31. The next fiscal year-end of the Company is March 31, 2020.

The Company completed a "three cornered" amalgamation whereby 1205619 B.C. Ltd. ("Subco"), a wholly-owned subsidiary of the Company, amalgamated with New Wave pursuant to an amalgamation agreement dated June 7, 2019, as amended effective September 26, 2019, among the Company, Subco and New Wave (the "Amalgamation Agreement"). Pursuant to the terms of Amalgamation Agreement, an aggregate of 48,848,666 Shares were issued to the former shareholders of New Wave. An additional 4,884,866 Shares were issued to certain finders for their assistance with the sourcing and completion of the Transaction. All common shares were issued at a deemed price of $0.15 per share. With the completion of the Transaction, the Company has 77,692,034 common shares issued and outstanding (on an undiluted basis).

All of the 36,507,666 outstanding warrants of New Wave were exchanged for unlisted warrants of the Company on the same terms and conditions as the original warrants of New Wave, which were subsequently cancelled. As part of the amalgamation, the Company has applied to the CSE for listing of 21,737,866 of its warrants which commenced trading on October 28, 2019 under the symbol NWES.WT

Current Developments and Subsequent Events

New Wave Esports Corp. is a multi-faceted business with the goal of elevating the entire industry of esports and competitive gaming. The Company provides capital and advisory support services to esports organizations, teams, leagues, events, platforms, tools, and technology innovators around the world. The Company's vision is to drive, energize, and accelerate the global growth of esports and competitive gaming, including affiliated companies, organizations, and technologies with the goal of enhancing experiences for players, fans, industry professionals, and investors. New Wave Esports plays a pivotal role in enhancing all aspects of the industry. They do this by opening the doors of opportunity for future growth in esports and competitive gaming. New Wave Esports has leadership teams in offices located in Toronto, Ontario and Los Angeles, California.

OUR APPROACH:
New Wave Esports' investment strategy focuses on four key areas that power the esports ecosystem:

1. Teams & Organizations
2. Events & Tournament Organizers
3. Platforms & Networks
4. Technologies & Tools

The leadership team of the Company following the Transaction consists of Daniel Mitre as Chief Executive Officer, Trumbull Fisher as President, and Tiffany Lee as Chief Financial Officer and Corporate Secretary.

The Board of Directors of the Company currently consists of Jeffrey J. Stevens, Trumbull Fisher, Clayton Fisher, Richard Carl, and Byron Coulthard, who was previously President and Chief Executive Officer of the Company prior to the completion of the Transaction. Mr. Trumbull Fisher was appointed as the Chair of the Board of Directors of New Wave Esports.

Highlights of the New Wave Esports Portfolio:

• **Tiidal Gaming**: An esports organization that owns and operates a premier esports team that competes in 12 different games including Fortnite, PUBG, Counter-Strike: Global Offensive, Madden. NHL, and more.

- Lazarus, which is comprised of 50+ professional players and 12 professional teams across 10 countries.
- All-Women's Team is one of the world's first all-female esports teams.
- Lazarus Esports, Tiidal Group's competitive gaming division, earned a total of $3.45 million in winnings at the Fortnite World Cup Finals in 2019.

• **Even Matchup Gaming**: Is an events production company bringing esports to the masses through over 80 annual events including Get On My Level and Let's Make Moves which are some of the most successful tournaments for Nintendo's Smash Bros. (New Wave owns 18% with the option to acquire up to 49%).

• **PlayLine**: Operates an intuitive fantasy esports betting platform that awards up to $1B in prizes each year. Recent partnerships with Speedway Motorsport brought their platform to NASCAR in 2019, and an upcoming Twitch Rivals partnership will expand the platform to include esports betting.

• **Thunderbolt CDG**: Is a technology development company that conceptualizes tools and solutions that will power the future of how consumers experience esports.

Investment in Talon Esports Limited

The Company announced on November 18, 2019 a strategic investment in Talon Esports Limited ("Talon"), a professional esports organization with a growing presence across Asia including Hong Kong, South Korea, Taiwan and Thailand. In accordance with the terms of the subscription agreement, the Company has subscribed for 681,818 common shares in the capital of Talon at a price of USD $0.44 per share, for a total investment of USD $300,000 representing approximately 5% of the issued and outstanding shares of Talon, on an undiluted basis.

In addition to this strategic investment, the New Wave Esports has also entered into a consulting agreement with Talon dated November 13, 2019 whereby the Company will provide certain strategic advisory services and support in the capital markets for Talon to help fuel continued growth. In accordance with terms of the Agreement, as compensation for its services, the Company has been granted 681,818 incentive stock options to purchase Talon shares at an exercise price of USD $0.44 per share expiring 18 months from the effective date of the Agreement, with such stock options to be governed by the terms of Talon's incentive stock option plan. The consulting agreement is for an initial term of one year and may continue thereafter on a month-to-month basis, subject to termination provisions.

Issuance of Common Shares, Stock Options and RSU's

On October 25, 2019, the Company granted a total of 7,400,000 options to purchase common shares of the Company to certain directors, officers and consultants. The options are exercisable at a price of $0.15 per share and expire on October 24, 2024. The Company also granted 7,400,000 restricted share units of the Company ("RSUs") to certain directors, officers and consultants. 1,850,000 RSUs vested on October 24, 2019, 1,850,000 RSUs will vest on February 24, 2020, 1,850,000 RSUs will vest on June 24, 2020 and 1,850,000 RSUs will vest on October 24, 2020. All Options and RSUs were granted in accordance with the Company's stock option plan and restricted share unit plan as approved by the Company's shareholders on September 20, 2019.

The Company announced that on October 31, 2019, Clayton Fisher was appointed to the Company's Board of Directors and that, in exchange for Mr. Fisher achieving certain performance based milestones prior to and related to his appointment, the Company issued to Mr. Fisher a total of 650,000 common shares of the Company, and granted Mr. Fisher 350,000 restricted share units of the Company ("RSUs"). Of the total, 87,500 RSUs vested on October 31, 2019, 87,500 RSUs will vest on February 29, 2020, 87,500 RSUs will vest on June 30, 2020 and 87,500 RSUs will vest on October 31, 2020. All RSUs were granted in accordance with the Company's restricted share unit plan as approved by the Company's shareholders on September 20, 2019. The common shares and RSUs are restricted from trading until March 2, 2020.

On November 11, 2019, the Company announced that Richard Carl was appointed to the Company's Board of Directors, and the Company granted to Mr. Carl a total of 200,000 options to purchase common shares of the Company exercisable at a price of $0.11 per share which expire on November 8, 2024.

Investor Relations

The Company announced on October 25, 2019, that it has retained Ubika Corporation as a consultant to provide investor relations and capital markets advisory services on behalf of New Wave Esports. Ubika offers a comprehensive research, communication and capital market exposure program designed to actively highlight the investment potential of companies like New Wave Esports. Ubika will provide services for an initial term of four months. The Company will pay Ubika a cash payment of $27,500 for the initial term, as well as 183,333 common shares of the Company which have been issued to Ubika at a price of $0.15 per common share. The common shares issued to Ubika are restricted from trading until February 26, 2020.

Definitive Agreement

On June 18, 2019, the Company announced that, further to its news release of March 15, 2019, the Company has entered into a definitive agreement dated June 7, 2019 (the "Agreement") among the Company, 1205619 B.C. Ltd. ("Subco") (a wholly owned subsidiary of the Company incorporated for the purposes of completing the Transaction (as defined below) and New Wave Esports Corp. (formerly New Wave Holdings Corp.) ("New Wave Esports"), an esports and competitive gaming investment company, incorporated under the laws of British Columbia. Pursuant to the Agreement, the Company agreed to acquire all the shares of New Wave Esports (the "New Wave Esports Shares") by way of a three-cornered amalgamation (the "Transaction") between the Company, New Wave Esports and Subco under the Business Corporations Act (British Columbia).

It is intended that in connection with the Transaction, the Company will consolidate its common shares on a 1.5:1 basis (the "Consolidation") and change its name to "New Wave Esports Corp." or such other name as determined by the parties. Under the terms of the Transaction, the shareholders of New Wave Esports (the "New Wave Esports Shareholders") will receive common shares of the Company in exchange for their New Wave Esports Shares on the basis of one post-Consolidation Trueclaim Share for each New Wave Esports Share. The Trueclaim common shares will be issued at a deemed post Consolidation price of $0.15 per Trueclaim Share (the "Consideration Shares") to the New Wave Esports Shareholders. All of the outstanding warrants to acquire New Wave Esports Shares (the "New Wave Esports Warrants") will be exchanged for warrants of the Resulting Issuer (the "Resulting Issuer Warrants") and the New Wave Esports Warrants will be subsequently cancelled. The Resulting Issuer Warrants will be on same terms and conditions as such original outstanding New Wave Esports Warrants.

The Company is expected to delist the Trueclaim Shares from the TSX Venture Exchange ("TSXV") and to list the common shares on the Canadian Securities Exchange ("CSE") upon the completion of the Transaction. The closing of the Transaction is subject to a number of conditions and approvals, which include: the Transaction being completed by September 30, 2019; and the receipt of all applicable shareholder and regulatory approvals, including approval by the TSXV and CSE. There can be no assurance that the Transaction will be completed as proposed or at all. The Agreement provides for termination rights, including in the event the Transaction is not completed by September 30, 2019. The Transaction will be carried out by parties dealing at arm's length to one another and therefore will not be considered to be a non-arm's length transaction. Trading in the Trueclaim common shares will remain halted pending completion or termination of the Transaction. To the extent permitted by the CSE, the Company will pay, to certain parties, an aggregated finder's fee consisting of that number of Consideration Shares equivalent to 10% of the number of Consideration Shares issued to New Wave Esports Shareholders as part of completing the Transaction. Further details regarding New Wave Esports and the Transaction will be provided in a listing statement to be filed by the Company in connection with the Transaction and which will be available under Trueclaim's SEDAR profile at www.sedar.com.

Letter of Intent

On March 15, 2019, the Company announced that it has entered into a binding Letter of Intent effective March 8, 2019 with New Wave Holdings Corp. ("New Wave"), an arm's length privately-held corporation, to acquire a 100% interest in New Wave via a business combination transaction that would constitute a reverse take-over of Trueclaim (the "Transaction"). The Transaction contemplates the de-listing for trading of the common shares of Trueclaim (the "Trueclaim Shares") from the TSX Venture Exchange (the "TSXV") and the intended listing for trading of the shares (the "Resulting Issuer Shares") of the resulting issuer (the "Resulting Issuer") on the Canadian Securities Exchange (the "CSE"). The final structure of the Transaction will be determined by New Wave and Trueclaim to accommodate tax considerations, accounting treatment, and applicable legal and regulatory requirements. Upon completion of the Transaction, the Resulting Issuer will continue to carry on the business of New Wave. The closing of the Transaction is subject to Trueclaim and New Wave negotiating and executing definitive documentation, the satisfactory completion of due diligence, conditional approval to list the Resulting Issuer Shares on the CSE, and the receipt of all other necessary regulatory, shareholder and third-party consents and approvals.

Overview of the Mining Exploration Business

SALE AND TERMINATION OF MINING PROPERTIES

Sale of the Scadding Area Mining Properties and Black Diamond Mining Property

On September 13, 2018, the Company entered into a purchase and sale agreement with Northern Sphere Mining Corp. with the Company's Scadding Area mineral properties. Under the terms of the agreement, Northern Sphere acquired the remaining 20% interest in the Scadding Area Properties held by the Company for $nil proceeds. Trueclaim will no longer be subject to any commitments going forward with respect to the Scadding Area mineral properties.

On September 13, 2018, the Company entered into a purchase and sale agreement with Northern Sphere Mining Corp. with the Company's Black Diamond mineral property. Under the terms of the agreement, Northern Sphere acquired the remaining 20% interest in the Black Diamond Property held by the Company for $nil proceeds. Trueclaim will no longer be subject to any commitments going forward with respect to the Black Diamond mineral property.

As result of disposing its interests in the Scadding Area mineral properties and its interests in the Black Diamond mineral property, the Company recognized a loss of $26,445 on the remaining 20% interests in these mineral properties during the year ended December 31, 2018.

Termination of Berry Desboues Property and Hebecourt Property Option Agreements

Effective September 28, 2018, the Company terminated the Option Agreements with Frank Tagliamonte for the Berry Desboues Property and the Hebecourt Property which are located in Quebec, Canada. The Company's subsidiary Northern Skye Resources Ltd., transferred all the mining claims for the Berry Desboues and Hebecourt properties to Frank Tagliamonte and therefore, the Company will no longer be subject to any commitments going forward with respect to these two mineral properties. As a result of the termination of the Option Agreements and transfer of the mining claims, the Company recognized a loss on the disposition of these mineral properties of $56,977 during the year ended December 31, 2018.

Financing

On May 4, 2018, the Company announced that it has closed a $3.26 million non-brokered private placement (the "Financing") whereby the Company issued 32,606,800 units ("Units") at a price of $0.10 per Unit for gross proceeds of $3,260,680. Each Unit consists of one common share and one common share purchase warrant ("Warrant"), with each Warrant being exercisable to acquire one common share of the Company at a price of $0.12 until May 3, 2023. In connection with the Financing, the Company paid $236,900 and issued 2,369,000 finder's warrants ("Finder's Warrants") to eligible finders. Each Finder Warrant entitles the holder thereof to acquire a common share of the Company at a price of $0.12 per share until May 3, 2023. All of the securities issued in connection with the Financing are subject to a hold period expiring on September 4, 2018. The Company intends to use the net proceeds of the Financing for general corporate purposes.

Officers and Directors

On September 28, 2017, the Company announced the resignations of Troy Nikolai and Brian Larsen from the Board of Directors who are leaving to pursue other business opportunities. The Company also announced the appointment of Gary Sugar, and Larry Bleau to the Board of Directors. On October 23, 2017, the Company announced the appointment of Ron Wortel to the Board of Directors of the Company, the appointment of Daniel Fuoco as Chief Financial Officer, and the appointment of Gary Sugar as corporate secretary of the Company.

On January 17, 2018, Gary Sugar resigned his position as a Director of the Trueclaim and as the corporate secretary of the Company. On April 5, 2018, Trueclaim announced the appointment of Matthew Fish as a Director of the Company and announced the resignation of Gerry Lefevre as a Director of the Company.

On May 16, 2018, the Company announced that Pritpal Singh was appointed as a Director of the Company. The Company also announced the resignation of Larry Bleau as a Director of the Company. On July 18, 2018, the Company announced that Anthony Viele was appointed as a Director of the Company. The Company also announced the resignation of Ron Wortel as a Director of the Company.

On September 20, 2019, the Company announced that Byron Coulthard, Anthony Viele, Matthew Fish and Pritpal Singh was elected as Directors of the Company at the Annual General Meeting.

Following the completion of the RTO Transaction on October 24, 2019, the leadership of the Company was announced as |Daniel Mitre as Chief Executive Officer, Trumbull Fisher as President, and Tiffany Lee as Chief Financial Officer, following the resignations of Byron Coulthard as President and Chief Executive Officer, and Daniel Fuoco as Chief Financial Officer of the Company. The Company also announced that the Board of Directors consist of Jeffrey J. Stevens, Trumbull Fisher, Tiffany Lee, and Byron Coulthard.

Mr. Clayton Fisher was appointed to the Company's Board of Directors on October 31, 2019, and on November 4, 2019, the Company announced that Mr. Jarret Hasson was retained as Head of Asia Business Development. On November 11, 2019, Mr. Richard Carl was appointed to the Board of Directors and Ms. Tiffany Lee had resigned as a Director of the Company. As well, Mr. Trumbull Fisher was appointed as the Chair of the Board of Directors of New Wave.

Share Consolidation

On October 19, 2017, the Company's common shares were consolidated on a 10-1 basis whereby the issued and outstanding common shares decreased from 33,309,764 to 3,330,953. The TSX Venture Exchange approved the share consolidation and the common shares commenced trading with a new CUSIP number of October 20, 2017.

On October 24, 2019, the Company completed the Reverse Takeover transaction (the "Transaction") of New Wave Holdings (BC) Corp. (formerly, New Wave Esports Corp.) ("New Wave"). The Company will carry on the business of New Wave, which has amalgamated with a wholly-owned subsidiary of the Company. As part of the Transaction, consolidated the common shares of the Company, on the basis of one (1) post-consolidation common share for every one and a one half (1.5) pre-consolidation common shares.

Annual General Meeting – September 20, 2019

The Company held its annual general and special meeting of shareholders (the "Meeting") on September 20, 2019 in Vancouver, British Columbia. At the Meeting, the following matters were duly approved and authorized including:

- the approval of the Company's previously announced Reverse Take-over transaction (the "Transaction") with New Wave Esports Corp. ("New Wave Esports"), an esports and competitive gaming company incorporated under the laws of British Columbia;
- the election of Byron Coulthard, Anthony Viele, Matthew Fish and Pritpal Singh as directors of the Company until the Company's next annual general meeting or until such time as their successors are duly elected or appointed;
- the appointment of MNP LLP as the auditor of the Company for the ensuing year;
- the adoption of the Company's new stock option plan contingent upon, and effective after, closing the Transaction;
- the adoption of the Company's new restricted share unit plan contingent upon, and effective after, closing the Transaction;
- the voluntary delisting of the Company's common shares (the "Common Shares") from the TSX Venture Exchange; and
- the listing of the Common Shares on the Canadian Securities Exchange (the "CSE").

Appointment of Auditor

The Board of Directors appointed MNP LLP as auditor of the Company, effective September 20, 2019, to hold office until the next annual meeting of shareholders of the Company.

Selected Annual Information

The following table presents certain financial information for the fiscal years ended December 31, 2018 and December 31, 2017.

	For the Year Ended December 31, 2018 IFRS	For the Year Ended December 31, 2017 IFRS
Total revenues	$ -	$ -
Net income (loss) and comprehensive income (loss)	(625,578)	136,356
Fully diluted income (loss) per share	(0.04)	0.04
Total assets	1,653,636	294,942
Total current liabilities	298,331	1,294,209

Summary of Quarterly Results

The following table reports selected financial information for the eight most recent quarters.

	Three months ended September 30, 2019	Three months ended June 30, 2019	Three months ended March 31, 2019	Three months ended December 31, 2018
Revenue	$ -	$ -	$ -	$ -
Net income (loss) & comprehensive income (loss)	(114,760)	(111,462)	(45,934)	(146,925)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Fully diluted earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

	Three months ended September 30, 2018	Three months ended June 30, 2018	Three months ended March 31, 2018	Three months ended December 31, 2017
Revenue	$ -	$ -	$ -	$ -
Net income (loss) & comprehensive income (loss)	(196,339)	(205,251)	(77,064)	284,074
Earnings (loss) per share	(0.01)	(0.01)	(0.02)	0.09
Fully diluted earnings (loss) per share	(0.01)	(0.01)	(0.02)	0.07

The Quarterly numbers have been adjusted where applicable to reflect adjustments made by the Company's Auditors during the December year-end audits. Financial information was prepared in accordance with International Financial Reporting Standards.

Review of Financial Results

Net income (loss) and comprehensive income (loss) for the nine months ended September 30, 2019

Net income (loss) and comprehensive income (loss) for the nine months ended September 30, 2019, was $(272,156) or ($0.01) per common share, as compared to a net income (loss) and comprehensive income (loss) of $(478,653) or ($0.02) per common share for the nine months ended September 30, 2018, representing a decrease in the net loss during the period of $206,497 as compared to the prior period 2018.

Operating expenses

Administrative expenses decreased by $10,722 from $49,805 for the nine months ended September 30, 2018, to $39,083 for the nine months ended September 30, 2019. The decrease in 2019 is due to lower office costs, lower corporate filings, and lower shareholder communications and TSXV regulatory fees in 2019 as compared to the nine months ended September 30, 2018 as there were lower costs incurred in 2019 as compared to 2018 due to somewhat decreased level of activities in 2019.

Management and consulting fees expense decreased by $204,507 in the current period from $363,500 for the nine months ended September 30, 2018, to $158,993 for the nine months ended September 30, 2019. The decrease is due to decreased business activities and a lower level of assets and no mining properties in 2019, as compared to 2018. In the prior year 2018, there were increased activities for the management of the Company's mining properties, review of potential acquisitions and other business arrangements, exploring potential new business sectors such as the cannabis industry, and dealing corporate business matters to carry on the Company's operations in 2018. In 2019 management was focused on the transformation of the company to an Esports sector company as described above.

Professional fees decreased by $19,522 in the current period from $93,601 for the nine months ended September 30, 2018, to $74,079 for the nine months ended September 30, 2019. Again, this reflects the decreased levels of professional legal activities in first nine months of 2019, as compared to the same period in 2018, regarding the Company's business activities, managing and dealing with the disposition of its mining properties, preparation of legal agreements, corporate business matters, and compliance and regulatory matters required to carry on the Company's operations in the first nine months of 2018. The professional fees incurred in 2019 are related to the professional legal time in dealing with the Company's entrance into Esports business sector.

Impairment of intangible assets

During the first nine months ended September 30, 2019, the Company incurred an impairment charge of $Nil related to its intangible assets, since the Company no longer owned any of its mining properties during the current nine months ended September 30, 2019.

The Company incurred an impairment of its intangible mining assets of $56,977, and a loss on sale of its intangible mining assets of $26,445, totalling $83,422 during the prior nine months period ended September 30, 2018.

Gain on debt settlement

The Company reported a gain on debt settlement of $Nil for the first nine months ended September 30, 2019 with respect to the settlement debt with creditors at a discount to the fair-value of the debt.

In the prior nine months ended September 30, 2018, the Company reported a gain on debt settlement of $111,675 as it was able to settle debt with a number of creditors at a discount to the fair-value of the debt in the year 2018.

Net income (loss) per share

During the nine months ended September 30, 2019, the Company reported a net income (loss) of $(272,156) and a net income (loss) per share of $(0.01). In the prior nine months period ended September 30, 2018, the Company reported a net income (loss) of $(478,653) and a net income (loss) per share of $(0.02).

Net income (loss) and comprehensive income (loss) for the three months ended September 30, 2019

Net income (loss) and comprehensive income (loss) for the three months ended September 30, 2019, was $(114,760) or ($0.01) per common share, as compared to a net income (loss) and comprehensive income (loss) of $(196,339) or ($0.01) per common share for the three months ended September 30, 2018. representing a decrease in the net loss during the three months period of $81,579 as compared to the prior three months period in 2018.

Operating expenses

Administrative expenses decreased by $14,278 from $23,495 for the three months ended September 30, 2018, to $9,217 for the three months ended September 30, 2019. The decrease in 2019 is due to lower office expenses, lower corporate filings, and lower TSXV regulatory fees as compared to the three months ended September 30, 2018 as there was decreased business activities in this quarter in 2019 as compared to 2018, due to somewhat decreased level of activities in 2019.

Management and consulting fees expense decreased by $13,457 from $82,500 for the three months ended September 30, 2018, to $69,043 for the three months ended September 30, 2019. The decrease is due to decreased business activities and a lower level of assets and no mining properties in this quarter 2019, as compared to 2018. In the prior quarter of 2018, there were increased activities due to the management and disposition of the Company's mining properties, review of potential acquisitions and other business arrangements, exploring potential new business sectors, and dealing corporate business matters to carry on the Company's operations in 2018. In 2019 management was focused on the transformation of the company to an Esports sector company as described above.

Professional fees increased by $29,577 from $6,922 for the three months ended September 30, 2018, to $36,499 for the three months ended September 30, 2019. Again, this reflects the increased levels of professional and legal activities in this quarter of 2019 regarding the Company's business matters, preparation of business and legal documents, and compliance and regulatory matters required to carry on the Company's operations in the third quarter of the year 2019. The additional professional fees incurred in 2019 are related to the professional legal time in dealing with the Company's entrance into Esports business sector.

Impairment of intangible assets

During the three months ended September 30, 2019, the Company incurred an impairment charge of $Nil related to its intangible assets, since the Company no longer owned any of its mining properties during the current three months ended September 30, 2019.

In the prior period, the Company incurred an impairment of its intangible mining assets of $56,977, and a loss on sale of its intangible mining assets of $26,445, totalling $83,422, during the prior three months period ended September 30, 2018.

Gain on debt settlement

The Company reported a gain on debt settlement of $Nil for the three months ended September 30, 2019.

In the prior three months ended September 30, 2018, the Company reported a gain on debt settlement of $Nil related to the settlement of debt with creditors at a discount to the fair-value of the debt in 2018.

Net income (loss) per share

For the three months ended September 30, 2019, the Company reported a net income (loss) of $(114,760) and a net income (loss) per share of $(0.00). In the prior three months ended September 30, 2018, the Company reported a net income (loss) of $(196,339) and a net income (loss) per share of $(0.01).

Liquidity and Capital Resources

Cash resources and liquidity

As at September 30, 2019, the Company had cash of $1,370,985 and had positive working capital of $1,083,149 as compared to cash of $1,593,545 and a positive working capital of $1,355,305 as at December 31, 2018. The cash balance and working capital increased significantly during the year ended December 31, 2018 as a result of the capital equity financing which occurred on May 4, 2018 whereby the Company raised gross proceeds of $3,260,680.

The Company has no long-term debt or other long-term obligations outstanding impacting liquidity or future cash flows, and no mineral properties commitments as at September 30, 2019. The further advancement of the Company's business and ability to pay its operating expenses depends upon the Company's ability to obtain financing through equity financing, joint ventures, debt financing, or other means.

There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile stock markets and fluctuations in the price of the Company's shares may make it difficult or impossible for the Company to obtain equity financing or debt financing on favorable terms or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone its business plans, or reduce or terminate some or all of its operations.

Financing

On May 4, 2018, the Company closed a $3.26 million non-brokered private placement (the "Financing") whereby the Company issued 32,606,800 units ("Units") at a price of $0.10 per Unit for gross proceeds of $3,260,680. Each Unit consists of one common share and one common share purchase warrant ("Warrant"), with each Warrant being exercisable to acquire one common share of the Company at a price of $0.12 until May 3, 2023. In connection with the Financing, the Company paid $236,900 and issued 2,369,000 finder's warrants ("Finder's Warrants") to eligible finders. Each Finder Warrant entitles the holder thereof to acquire a common share of the Company at a price of $0.12 per share until May 3, 2023. All of the securities issued in connection with the Financing were subject to a hold period expiring on September 4, 2018. The Company intends to use the net proceeds of the Financing for general corporate purposes.

Related Party Transactions

During the nine months ended September 30, 2019, the Company incurred key management compensation expenses in the amount of $158,993 (September 30, 2018 - $45,500). Key management comprises executive and non-executive directors and senior officers of the Company.

During the nine months ended September 30, 2019, the Company incurred legal services provided by a Director in the amount of $5,000 (September 30, 2018 - $20,000).

The above related party transactions were conducted in the normal course of business and were measured at the agreed to amounts which were agreed by the related parties.

As at September 30, 2019, the Company's trade payable and accrued payable balances included $5,650 (December 31, 2018 - $25,625) payable to related parties.

On May 4, 2018, in connection with the non-brokered private placement, the Company issued 850,000 common shares to settle $85,000 of debt to certain related parties, at a price of $0.10 per common share.

On May 4, 2018, in connection with the non-brokered private placement, the Company issued 200,000 common shares to a Director and 950,000 common shares to officers of the company at a price of $0.10 per common share.

The above related party transactions were conducted in the normal course of business and were measured at the agreed to amounts which were agreed by the related parties.

Commitments

The Company is partially financed through the issuance of flow-through shares, requiring that the Company spend the proceeds for qualified mining exploration expenses. Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work, subject to penalties if the conditions are not respected. Although the Company is committed to taking all the necessary measures, refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the year ended December 31, 2011, the Company received $770,000 following an issuance of flow-through units and renounced $769,547 of its tax deductions relating to flow-through expenditures. The Company had until December 31, 2012 to make qualified mining exploration expenses totaling $769,547 and incurred $240,796 of qualifying expenditures. As at September 30, 2019, the Company had accrued $430,826 for penalties, interest and shareholder indemnities relating to the unspent flow through amounts (December 31, 2018 – $418,749), and recorded interest of $12,077 during the nine months ended September 30, 2019 (December 31, 2018 - $16,106). In accordance in the terms of the Scadding Property Purchase Agreement with Northern Sphere, Northern Sphere agreed to indemnify the Company of an amount of up to 50% of the amount of the potential liabilities, regarding the flow-through expenditures, to a maximum total amount of $200,000.

Off balance sheet arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The significant accounting policies used in the preparation of the consolidated financial statements are described below.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments classified as 'fair value through profit and loss' ("FVTPL") which have been measured at fair value. The comparative figures presented in the condensed interim consolidated financial statements are in accordance with IFRS.

All amounts are expressed in Canadian dollars, which is also the functional currency of the Company and its subsidiary.

Consolidation

The financial statements of the Company as at September 30, 2019 consolidate the accounts of the Company and its wholly owned subsidiaries, Trueclaim Resources Inc. and Northern Skye Resources Ltd. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies.

Cash equivalents

Cash equivalents include cash on hand and deposits held with banks.

Impairment

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Intangible assets

The Company records its interests in mining properties and areas of geological interest at cost as intangible assets in the consolidated statements of financial position. Each individual mining property is defined as a cash generating unit. Exploration and evaluation costs relating to these interests and projects are capitalized until the properties to which they relate are placed into production, sold or allowed to lapse.

During the nine months ended September 30, 2019, a total of $nil (Year ended December 31, 2018 - $15,838) of costs were incurred for exploration, evaluation and acquisitions of mining properties. Management reviews the carrying values of intangible assets on a regular basis to determine whether any write downs are necessary. These costs will be amortized over the estimated useful life of the mining properties following commencement of production or written off if the mining properties or projects are sold or allowed to lapse.

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of the flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the subscribers at an agreed upon date.

The fair value of the tax benefit received by the subscriber is recorded as a liability which is extinguished when the tax effect of the temporary differences, resulting from the renunciation, is recorded. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense.

A deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures that are capitalized to exploration and evaluation assets and their tax basis. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset.

Income taxes

Current income taxes

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of comprehensive loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes

Deferred tax assets and liabilities represent income taxes expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Company's condensed interim consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax assets also represent income taxes expected to be recoverable on unclaimed losses carried forward.

Deferred taxes are calculated using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, with some exceptions described below. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be used. Neither deferred tax liabilities, nor deferred tax assets, are recognized as a result of temporary differences that arise from the initial recognition of goodwill or a transaction, other than a business combination, that affects neither accounting profit nor taxable profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax asset and liabilities are measured using the enacted or substantively enacted tax rates as of the statement of financial position date that are expected to be in effect when the differences reverse or when unclaimed losses are utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of the asset to be utilized. To the extent that an asset not previously recognized fulfills the criteria for asset recognition, a deferred tax asset is recognized.

Deferred tax is recognized in the consolidated statements of comprehensive loss, unless it relates to items recognized directly in equity, in which case the deferred tax related to those items is also recognized directly in equity.

Income (Loss) per share

The basic income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

During the nine months ended September 30, 2019, all of the outstanding stock options, warrants and finders' warrants were anti-dilutive.

Share capital

Non-monetary consideration

Shares issued as purchase consideration in non-monetary transactions are recorded at the fair value of the consideration received by the Company. Shares issued to non-employees are recorded at the fair value of the goods and services received by the Company.

Share-based compensation

Employees including directors and senior executives may receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments. These amounts are recorded at the fair value of the equity instrument granted.

Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital.

Significant accounting judgments and estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the consolidated financial statements.

Those estimates and assumptions also affect the disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The most significant estimates relate to determining the fair value of share-based payments to non-employees and impairment testing of the Company's intangible assets, and investments.

Termination of Berry Desboues Property and Hebecourt Property Option Agreements

Effective September 28, 2018, the Company terminated the Option Agreements with Frank Tagliamonte for the Berry Desboues Property and the Hebecourt Property which are located in Quebec, Canada. The Company's subsidiary Northern Skye Resources Ltd., transferred all the mining claims for the Berry Desboues and Hebecourt properties to Frank Tagliamonte and therefore, the Company will no longer be subject to any commitments going forward with respect to these two mineral properties. As a result of the termination of the Option Agreements and transfer of the mining claims, the Company recognized an impairment loss on the termination and disposition of these mineral properties of $56,977 during the year ended December 31, 2018.

Financial instruments

Effective January 1, 2018, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9"). In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes lAS 39 - Financial Instruments: recognition and measurement ("lAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance aligns hedge accounting more closely with an entity's risk management objectives and strategies. IFRS 9 does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it allows more hedging strategies used for risk management to qualify for hedge accounting and introduces more judgement to assess the effectiveness of a hedging relationship, primarily from a qualitative standpoint. The Company has elected to continue with lAS 39 for hedging. This does not have an effect on our reported results. (See Note in the Financial Statements).

Accounting standards issued

Leases

In January 2016, the IASB issued IFRS 16 – "Leases" ("IFRS 16"), which replaces IAS 17 – "Leases", and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased.

For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15.

The Company has determined that the new standard had no impact on its consolidated financial statements.

CAPITAL STOCK

Authorized

Unlimited number of common shares without par value

Issued

Common Shares	**Note**	**September 30, 2019**		**December 31, 2018**	
		Number	**Amount ($)**	**Number**	**Amount ($)**
Beginning of period		35,937,753	9,939,107	3,330,953	8,861,507
Shares issued in private placement	a	-	-	32,606,800	3,260,680
Less: Fair value of warrants	b	-	-	-	(1,555,018)
Share issue costs		-	-	-	(628,062)
Balance		**35,937,753**	**9,939,107**	**35,937,753**	**9,939,107**

Warrants	**Note**	**September 30, 2019**		**December 31, 2018**	
		Number	**Amount ($)**	**Number**	**Amount ($)**
Beginning of period		34,975,280	1,902,550	-	-
Warrants issued	b	-	-	32,606,280	1,555,018
Finders' warrants issued	c	-	-	2,369,000	347,532
Warrants expired	d	-	-	-	-
Balance		**34,975,280**	**1,902,550**	**34,975,280**	**1,902,550**

As at the date of this MD&A, the following securities of the Company are outstanding on a post consolidation basis:

Common Shares:	35,937,753
Warrants:	32,606,280
Finders Warrants:	2,369,000
Stock Options:	100,000

Notes

a) *Shares issued in private placement*

On May 4, 2018, the Company completed a non-brokered private placement (the "Financing") by issuing 32,606,800 units ("Units") at a price of $0.10 per Unit for gross proceeds of $3,260,680. Each Unit consists of one common share and one common share purchase warrant ("Warrant"), with each Warrant being exercisable to acquire one common share of the Company at a price of $0.12 until May 3, 2023, subject to a hold period expiring on September 4, 2018. The Company intends to use the net proceeds of the Financing for general corporate purposes.

b) Warrants issued in private placement

On May 4, 2018, in connection with the Private Placement Financing, the Company issued a total of 32,606,800 common share purchase warrants ("Warrant"), with each Warrant being exercisable to acquire one common share of the Company at a price of $0.12 until May 3, 2023, subject to a hold period expiring on September 4, 2018. The fair value of the warrants issued was $1,555,018 and was calculated using the Black Scholes option pricing model.

c) Finders' warrants

In connection with the Financing in 2018, the Company issued 2,369,000 finder's warrants ("Finders' Warrants") to eligible finders. Each Finders' Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.12 per share until May 3, 2023, subject to a hold period expiring on September 4, 2018. The fair value of the finders' warrants was $347,532 calculated using the Black Scholes pricing model.

d) Expired warrants

During the period ended September 30, 2019, a total of Nil (Dec 31, 2018: Nil) warrants expired.

Stock Options

a) Stock option plan

The Company has a stock option plan, which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the plan may have a maximum term of five years. The exercise price of options granted under the plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the rules of the Exchange.

Stock options granted under the plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

During the year ended December 31, 2016, 2,300,000 stock options were granted at an exercise price of $0.05 over 5 years. Shares based compensation of $30,926 was calculated using the Black-Scholes model with assumptions of volatility of 168%, risk-free interest rate of 0.61%, dividend rate of 0%, and market price of $0.015. These options expire on March 31, 2021.

A total of 130,000 stock options were forfeited during the year ended December 31, 2017. There is a total of 100,000 stock options outstanding as at December 31, 2018 and as at September 30, 2019.

b) Contributed surplus

The fair value of stock options which vest immediately, are recorded as an increase to contributed surplus upon issuance of the options. The fair value of stock options which do not vest immediately, are recorded as an increase to contributed surplus over the vesting period. On exercise of a stock option, the fair value previously recorded in contributed surplus is removed and recorded as share capital.

The following is the change in contributed surplus for the nine months ended September 30, 2019 and the year ended December 31, 2018:

	September 30, 2019	December 31, 2018
	$	$
Opening balance, January 1	2,061,805	2,061,805
Issuance of stock options	-	-
Issuance of finder's options	-	-
Exercised stock options	-	-
Exercised finders' options	-	-
Expired warrants	-	-
Ending balance	**2,061,805**	**2,061,805**

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company has assessed or caused to be assessed the effectiveness of the Company's disclosure control procedures ("DC&P") and internal control over financial reporting ("ICFR") which has been designed or caused to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company took into consideration the following characteristics common to companies of a similar size:

- The limited number of employees in smaller companies, which constrains the Company's ability to fully segregate duties;
- The Company relies on active communication with the Board and management to maintain the effectiveness of Company's disclosure controls and procedures; and
- The evolving nature of smaller companies, which limits their ability to have static processes that are well-documented.

In addition, management has relied upon certain informal procedures and communication to maintain the effectiveness of disclosure controls and procedures and to continually improve and upgrade the design and evaluation of its DC&P and ICFR. As at December 31 2018, this evaluation confirmed the effectiveness of the design and operation of disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is reported in a timely manner so that it can provide investors with complete and reliable information. However, there can be no assurance that the risk of a material misstatement in the annual financial statements can be reduced to less than a remote likelihood.

Internal Controls and Procedures over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's Chief Executive Officer and Chief Financial Officer have concluded that internal controls over financial reporting are appropriately designed and are operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

As at September 30, 2019, there have been no changes in the Company's internal control over financial reporting since the year ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Financial Risk Factors

Fair value

The carrying value of cash and cash equivalents, receivables, and trade payable and accrued liabilities approximate fair value, due to their short-term nature.

Foreign exchange risk

The Company had no revenue, operating expenses, monetary assets or liabilities that were denominated in a foreign currency. Certain expenditures in respect of the Black Diamond mining property are incurred in US dollars.

Credit risk

The Company did not have any commercial customers during the periods presented and is exposed to minimal credit risk through its bank.

Interest rate risk

The Company is exposed to minimal market interest rate fluctuations with respect to its cash and cash equivalents on hand.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had current assets of $1,390,769 (December 31, 2018 - $1,653,636) and current liabilities of $307,620 (December 31, 2018 - $298,331). The Company recently completed a private placement financing for gross proceeds of $3.26 million on May 4, 2018 providing additional capital for general corporate purposes.

Risks Associated with Exploration and Mining Operations

The exploration of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Company's mineral properties. Even if such commercial quantities are subsequently discovered by the Company's exploration efforts, there can be no assurance such properties can be brought in to commercial production. Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Company. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Company does not have control may be encountered and may adversely affect the Company's operations and financial results.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that future changes to environmental legislation may not adversely affect the Company's operations.

Mineral Market

The market for minerals is subject to factors beyond the Company's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration activities, the Company may require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Company anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Company could materially adversely affect the Company.

Forward Looking Statements

This discussion includes certain statements that may be deemed ″forward-looking statements″. All statements in this discussion, other than statements of historical facts, which address future production, reserve potential, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, that the Company expressly disclaims any responsibility for revising or expanding the forward-looking statements to reflect actual results or developments, and that actual results or developments may differ materially from those projected, in the forward-looking statements.

Other Information

Additional information is available on SEDAR www.sedar.com.