

SEAHAWK VENTURES INC.
(formerly Brabeia Inc.)
Management Discussion and Analysis
For the Year Ended May 31, 2017

This discussion and analysis of financial position and results of operations (“MD&A”) is prepared as at August 3, 2017 and should be read in conjunction with the audited financial statements for the years ended May 31, 2017 and 2016 of Seahawk Ventures Inc. (the “Company”) with the related notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company’s future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to internet and social media industry (see section “Business Risks” herein) Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, that the Company can access financing, appropriate equipment and sufficient labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements.

Description of Business

Seahawk was incorporated under the Business Corporations Act (British Columbia) on January 16, 2007.

On August 21, 2015, the Company entered into a share exchange agreement with the shareholders of 0969607 BC Ltd. (“096”) to acquire all of the issued and outstanding shares of 096 in return for 25,799,981 common shares of the Company (the “Share Exchange”). 096 provides a fully interactive contest-marketing platform which offers a suite of tools that customers can use to create, launch, promote and manage contests and sweepstakes as well as social media marketing and web design services. After the Share Exchange, the Company changed its name to “Brabeia Inc.” Tracy Wattie (“Wattie”), President and CEO of 096, became the President and CEO of the Company, and joined the board of directors of the Company. On February 10, 2016, the Company entered into an agreement (the “096 Sale Agreement”, amended on March 15, 2016) with Wattie to sell its interest in 096 to her effective February 1, 2016. The Company changed its name to Seahawk Ventures Inc. after the disposal of 096.

After the disposal of 096, the Company entered into a property purchase agreement (the “Agreement”) with Metallis Resources Inc. (“Metallis”) on May 25, 2016, to acquire a 100% interest in 9 mineral claims collectively known as

the Mackenzie Mountain Iron-Copper Property (the “Mackenzie Property”) located in the Mackenzie Mining District, Northwest Territories, Canada.

On June 9, 2017, the Company entered into a Property Purchase Agreement (the “Agreement”) with RSD Capital Corp. and Michel A. Lavoie (the “Vendors”) to acquire a 100% undivided interest in the German Shepherd and Mystery properties (the “Properties”) comprising 66 mineral claims covering approximately 3,900 hectares in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

Currently, the principal activity of the Company is the acquisition and exploration of mineral resource properties in Canada.

Overall Performance

On June 12, 2017, the Company announced that it is undertaking a financing to raise gross proceeds of up to \$600,000 through a non-brokered private placement of its common shares at a price of \$0.30 per common share.

On June 9, 2017, the Company entered into a Property Purchase Agreement (the “Agreement”) with RSD Capital Corp. and Michel A. Lavoie (the “Vendors”) to acquire a 100% undivided interest in the German Shepherd and Mystery properties (the “Properties”) comprising sixty-six mineral claims covering approximately 3,900 hectares in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

On December 16, 2016, two new directors, Mr. Blair Holliday and Mr. Salvatore Giantomaso, were appointed at the Company’s annual and special meeting of shareholder. Mr. Holliday is sales for Excel Railing Systems Ltd. since 2002, and Mr. Giantomaso is Vice President of Newway Forming Ltd. since 1985.

On October 7, 2016, the Company filed the amended and restated interim financial statements and MD&A for the three, six and nine month periods ended August 31, 2015, November 30, 2015 and February 29, 2016. The amendments and restatements will ensure the consistency of accounting policy application and note disclosures with the audited financial statements for the year ended May 31, 2016, and will reflect the Company’s treatment of its share exchange with 096 in August, 2015 as a failed investment.

On May 25, 2016, the Company entered into a property purchase agreement with Metallis Resources Inc. (“Metallis”) to acquire a 100% interest in 9 mineral claims collectively known as the Mackenzie Mountain Iron-Copper Property (the “Mackenzie Property”) located in the Mackenzie Mining District, Northwest Territories, Canada. The Company’s former President is also the President and a director of Metallis.

On May 4, 2016, the Company held a special shareholders’ meeting at which it approved the sale of the 096 shares to the former CEO and director, Tracy Wattie

On March 15, 2016, the Company has entered into an amended and restated agreement with Wattie dated March 15, 2016 which replaces the February 10, 2016 agreement originally announced on February 12, 2016.

On March 1, 2016, the British Columbia Securities Commission (the “BCSC”) revoked the cease trade order made on February 4, 2015 due to the Company failing to file its interim financial statements and related MD&A for the period ended November 30, 2015 on time.

On February 25, 2016, the Company changed its name to Seahawk Ventures Inc. The Company's shares are reserved with the Canadian Securities Exchange under the new stock symbol "SHV" and the CUSIP number assigned to the Company's shares has been changed to 81202R106 (ISIN: CA 81202R1064).

On February 12, 2016, the Company announced that it entered into the 096 Sale Agreement with Wattie to sell its interest in 096 to her effective February 1, 2016. Wattie resigned from the board of directors and CEO and President of the Company. Giovanni Gasbarro was appointed CEO of the Company. Tara Geissinger also resigned from the board of directors and Vice President of Marketing of the Company.

On January 27, 2016, the Company announced that it could not file its financial statements of MD&A for the six months ended November 30, 2015 due to unanticipated difficulties of obtaining necessary information.

On August 28, 2015, the board approved the grant of 1,950,000 stock options to officers, directors, employees and consultants. The options expire on August 28, 2017, and each stock option will allow the holder to purchase one common share of the Company at an exercise price of \$0.30.

On August 21, 2015, the Company completed the Share Exchange with 096. Upon the completion of the Share Exchange, Wattie and Guy Champagne were appointed to the board. Wattie is also appointed as new President and CEO of the Company. Mr. Giovanni Gasbarro stepped down from the position of President/CEO of the Company, but remained a director.

Mineral Properties

Mackenzie Property

On May 25, 2016, the Company entered into a property purchase agreement (the “Agreement”) with Metallis Resources Inc. (“Metallis”) to acquire a 100% interest in 9 mineral claims collectively known as the Mackenzie Mountain Iron-Copper Property (the “Mackenzie Property”) located in the Mackenzie Mining District, Northwest Territories, Canada. The Company’s former President is also the President and a director of Metallis.

Pursuant to the Agreement, the Company is to:

- a) Pay a non-refundable payment of \$5,000 upon execution of the Agreement (paid);
- b) Pay a further \$26,652 associated with the cost of extending the expiration of the claims (paid); and
- c) Issue 75,000 common shares (issued, valued at \$9,000) upon TSX Venture Exchange approval.

Metallis retains a 2.0% NSR royalty on the Mackenzie Property. The Company may elect to purchase all or part of the NSR royalty interest for a price of \$500,000 for each one-half of one percent of the royalty interest up to an aggregate purchase price of \$2,000,000.

German Shepherd and Mystery Properties

On June 9, 2017, the Company entered into a Property Purchase Agreement (the “Agreement”) with RSD Capital Corp. and Michel A. Lavoie (the “Vendors”) to acquire a 100% undivided interest in the German Shepherd and Mystery properties (the “Properties”) comprising 66 mineral claims covering approximately 3,900 hectares in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

The Agreement provides that the Company will acquire a 100% interest in the Properties in consideration for payment to the Vendors of an aggregate of \$50,000, and issuing total of 1,000,000 common shares of the Company. The Vendors will retain a 2% net smelter return royalty on the Properties (the “Royalty Interest”). The Company may elect to purchase one-half of the Royalty Interest from the Vendors for a payment of \$500,000, thereby leaving the Vendors with the remaining 1%.

Completion of the transactions is subject to receipt and filing by the Company of an NI 43-101 technical report respecting the Properties and to necessary stock exchange approvals by the parties.

Transaction with 096 and its shareholders

On August 21, 2015, the Company and 096 entered into the Share Exchange, pursuant to which the Company acquired all of the issued and outstanding shares of 096 by issuing 25,799,981 common shares of the Company (the "Transaction") to the shareholders of 096, of which 23,219,980 common shares (the "Performance Escrow Shares") were placed into escrow in accordance with an escrow agreement. The Performance Escrow Shares have no voting rights and cannot be transferred or pledged. The Performance Escrow Shares would be released in four equal tranches upon 096 achieving the following milestones within a period of three years:

- (i) 5,805,000 common shares upon earning a total of \$1,000,000 in gross revenue;
- (ii) 5,805,000 common shares upon earning a total of \$3,000,000 in gross revenue;
- (iii) 5,805,000 common shares upon earning a total of \$4,500,000 in gross revenue; and
- (iv) 5,804,980 common shares upon earning a total of \$6,000,000 in gross revenue.

If the Performance Escrow Shares were not released according to the escrow agreement prior to August 21, 2018, being the date that is three years after the closing of the Transaction, the Performance Escrow Shares were to be returned to the Company's treasury for cancellation. The shareholders of 096 were not to be entitled to the payment of any consideration or other compensation should the Performance Escrow Shares be cancelled.

Concurrently with the closing of the Transaction, the Company closed a private placement by issuing 3,078,167 units at a price of \$0.30 per unit for aggregate gross proceeds of \$923,450.

To finance the operations of 096, the Company loaned an amount of \$100,000 to 096 during the year ended May 31, 2015 and additional \$774,259 during the year ended May 31, 2016.

Termination of the Transaction

Subsequent to the Share Exchange, the Company's board of directors concluded that the acquisition of 096 was not in the best interest of its shareholders as the Company was unable to obtain control of 096 and its operations. On February 10, 2016, the Company entered into the 096 Sale Agreement with Wattie to sell her all of the issued and outstanding shares of 096, subject to various conditions, including receipt of disinterested shareholder approval from the Company's shareholders. The 096 Sale Agreement was further amended on March 15, 2016.

The 096 Sale Agreement provides that on closing (the "Closing"):

- (a) The Company will transfer all of the shares of 096 to Wattie with an effective date of February 1, 2016.
- (b) In consideration for the transfer of the 096 shares to Wattie, the Company will receive from Wattie a reimbursement of advances in the amount of \$100,000, which shall be payable as to \$5,000 on Closing (received), two additional payments of \$5,000 due within the 1st and 2nd months after Closing (received), three additional payments of \$10,000 due within the 3rd, 4th and 5th months after Closing (received), and a final payment of \$55,000 due within the 6th months after Closing (received).
- (c) Common shares of the Company which were issued and released to the former holders of 096 at the time of the Share Exchange will be retained by them, with the exception of the 652,808 common shares issued to Wattie, which were returned to the Company and cancelled on June 10, 2016. Of the 23,219,980 Performance Escrow Shares that are currently in escrow and contingently cancellable, Wattie has also agreed to the cancellation of her 5,875,272 Performance Escrow Shares (returned and cancelled on June 10, 2016). The remaining 17,344,708 Performance Escrow Shares (13,827,532 returned and cancelled during the year ended May 31, 2017) will remain in escrow and will be returned to treasury and cancelled when the release targets are not met. The Company intends to seek their earlier cancellation.
- (d) After the Closing, 096 will be entitled to use the name "Brabeia" in connection with its business.

Accounting for the Share Exchange and 096 Sale Agreement

The Share Exchange was structured as it was to permit the Company to determine if 096's business was viable before the former shareholders of 096 received their full consideration. The majority of the shares issued to the former shareholders of 096 were placed in escrow, only to be released when performance milestones were reached, proving 096 to be a viable business. Subsequent to the completion of the Share Exchange and advancing of funds, the Company's board of directors determined that it had never obtained, nor would it be able to obtain, control of 096 and accordingly it was in the best interests of the shareholders of the Company to dispose of its investment. Certain of the shares issued to the former 096 shareholders were returned and cancelled. The Company considers this transaction as a failed investment, which was originally recorded at cost with a loss recognized on the statement of loss and comprehensive loss on disposal of the investment in 096 based on completion of the 096 Sale Agreement. See Note 4 of the audited financial statements for the year ended May 31, 2017 for additional details.

Selected Annual Financial Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the audited financial statements.

	Year Ended May 31, 2017	Year Ended May 31, 2016*	Year Ended May 31, 2015**
Interest and other income	\$ -	\$ -	\$ -
Loss for the year	(151,865)	(1,847,675)	(407,257)
Basic and diluted loss per common share	(0.01)	(0.09)	(0.02)
Total assets	73,850	159,941	186,291
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

* During the year ended May 31, 2016, the Company wrote off \$729,935 of loan and cash advances to 096 and \$578,158 was recognized as a loss on disposition of the Company's investment in 096.

**During the year ended May 31, 2015, the Company wrote off \$252,637 of exploration and evaluation assets

Results of Operations

During the year ended May 31, 2017, the Company incurred a net loss of \$151,865 compared with a loss of \$1,847,675 during the year ended May 31, 2016. The loss is mainly comprised of the following items:

- An impairment write-off of \$729,935 of cash advances to 096 and \$578,158 of investment in 096 during the year ended May 31, 2016. There is no such expense during the year ended May 31, 2017.
- Office and miscellaneous of \$1,869 (2016 - \$3,653) was mainly for office supplies and shareholder costs.
- Interest and bank charges of \$1,397 (2016 - \$Nil) was mainly comprised of accrued interest on a \$25,000 loan from the CEO of the Company.
- Management fees of \$102,000 were paid or accrued to CEO at \$5,000 per month and CFO at \$3,500 per month. During the year ended May 31, 2016, the management fee consisted of \$15,000 accrued to the CEO and \$13,500 accrued to the CFO of the Company;

- During the year ended May 31, 2017, professional fees of \$54,836 mainly consisted of preparation of financial reporting, yearend audit accrual, and legal fees for various corporate matters. During the year ended May 31, 2016, the much higher professional fees of \$212,499 were legal, accounting and auditing fees mainly related to the Share Exchange with 096 and the subsequent disposal;
- Rent of \$15,500 (2016 - \$8,875) was paid to a company controlled by CFO and director of the Company;
- Share-based compensation of \$265,637 during the year ended May 31, 2016 is the fair value of 1,950,000 options granted in August 2015. There were not stock options granted during the year ended May 31, 2017; and
- Transfer agent and filing fees of \$28,100 (2016 - \$20,418) are for the AGM, monthly transfer agent maintenance, monthly CSE fees, and SEDAR filing fees.
- During the year ended May 31, 2017, the Company wrote off \$51,837 of accounts payable in legal fees as a result of negotiation with the lawyer.

Fourth quarter results

The Company recorded a loss of \$1,667 for the three months ended May 31, 2017 compared to a loss of \$161,631 for the comparative three months ended May 31, 2016. The higher loss in the three months ended May 31, 2016 was mainly due to professional fees of \$122,433 in relation to the disposal of the 096 shares. The lower loss in the three months ended May 31, 2017 is mainly due to a write-off of \$51,837 legal fees payable.

Other major expenses are comparative for both periods, which includes rent of \$3,000 (2016 - \$4,500), management fee of \$25,500 (2016 - \$25,500), and registration, transfer agent and filing fees of \$3,310 (2016 - \$1,431).

Quarterly Information

	Three months ended May 31, 2017 ⁽⁴⁾	Three months ended February 28, 2017	Three months ended November 30, 2016	Three months ended August 31, 2016
Total Assets	\$ 73,850	\$ 79,963	\$ 89,589	\$ 146,643
Working capital (deficiency)	(211,157)	(203,685)	(166,181)	(102,322)
Net loss for the period	(1,667)	(37,504)	(63,859)	(48,835)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Three months ended May 31, 2016	Three months ended February 29, 2016 ⁽³⁾	Three months ended November 30, 2015 ⁽²⁾	Three months ended August 31, 2015 ⁽¹⁾
Total Assets	\$ 159,941	\$ 150,290	\$ 150,095	\$ 1,665,192
Working capital (deficiency)	(53,487)	33,531	-	10,667
Net loss for the period	(161,631)	(16,564)	(1,308,730)	(360,750)
Net loss per share	(0.01)	(0.00)	(0.06)	(0.02)

- (1) The financial statements for the three months ended August 31, 2015 were restated from what was originally filed on SEDAR on October 29, 2015 and amended on February 29, 2016.
- (2) The financial statements for the three and six months ended November 30, 2015 were restated from what was originally filed on SEDAR on February 29, 2016. During the three months ended November 30, 2015, the Company recorded a write-off of \$729,935 of loan and cash advances to 096 and \$578,158 in respect of a recognized loss associated with the disposition of the 096 shares.
- (3) The financial statements for the three and nine months ended February 29, 2016 were restated from what was originally filed on SEDAR on April 15, 2016.

(4) The Company wrote off \$51,837 legal fees payable during the three months ended May 31, 2017.

Liquidity and Capital Resources

The Company commenced fiscal 2017 with working capital deficiency of \$53,487 and cash of \$21,626. As at May 31, 2017, the Company had working capital deficiency of \$211,157 and cash of \$23,450.

Net cash used in operating activities for the current year was \$92,371 (2016 - \$211,184). The net cash used in operating activities for the year consists primarily of the operating loss and a change in non-cash working capital items.

Net cash obtained from investing activity during the current year consisted of \$100,000 repayment of loan to 096 received back from Wattie. During the year ended May 31, 2016, the Company advanced \$774,259 to 096 and then received \$44,324 repayment later. During the year ended May 31, 2016, the Company also paid \$31,652 to acquire the Mackenzie Property.

There was no net cash activity from financing activities during the current year. Net cash from financing activity during the year ended May 31, 2016 was \$910,484. The Company completed a private placement in August 2015 by issuing 3,078,167 share units at \$0.30 per unit for total proceeds of \$923,450. The Company incurred share issuance costs of \$37,966.

The Company will need to raise funds through debt or equity offerings in order to have sufficient working capital to sustain its operations for the 2017 fiscal year.

Related Party Transactions

Except as disclosed elsewhere in the financial statements, during the year ended May 31, 2017, the Company entered into the following transactions with related parties:

(a) The Company paid or accrued rent of \$15,500 (2016 - \$8,875) to Brugas Holdings Inc., a company controlled by the Chief Financial Officer ('CFO') and director of the Company and a management fee of \$42,000 (2016 - \$13,500) to the CFO and director. As of May 31, 2017, \$69,500 (2016 - \$15,000) is owed to the CFO and Brugas Holdings Inc.

(b) The Company accrued management fees of \$60,000 (2016 - \$15,000) to the CEO. As at May 31, 2017, \$75,000 (2016 - \$15,000) is owed to the CEO of the Company.

(c) No stock options (2016 - 1,550,000) were granted to directors and officers of the Company. Those share options are valued at \$Nil (2016 - \$211,032) at the date of grant.

(d) The Company accrued interest of \$1,302 (2016 - \$Nil) to a loan from the CEO. As at May 31, 2017, interest of \$1,302 (2016 - \$Nil) was accrued in due to related parties.

Amounts due to related parties were due to companies controlled by directors and officers, were unsecured, were non-interest bearing and had no specific terms of repayment.

Off Balance Sheet Arrangements

The Company has no off Balance Sheet arrangements.

Investor Relations

N/A

Commitments

The Company has no commitments.

Financial and Capital Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities due to related parties and loan payable to related party approximate their carrying values. The Company's other financial instruments, being cash, is measured at fair value using Level 1 inputs.

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

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Company's financial instruments best represents the maximum exposure to credit risk.

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 May 31, 2017, the Company had a cash balance of \$23,450 (May 31, 2016 - \$21,626) and current liabilities of \$238,550 (May 31, 2016 - \$181,776).

The Company has historically relied on equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms.

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

Foreign currency risk

The Company's functional currency is the Canadian dollar and the majority of its purchases are transacted in Canadian dollars. From time to time, the Company funds certain operations, exploration and administrative expenses in US\$ on a cash call basis using US\$ currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities. The Company relies mainly on equity issuances and loans from related parties to raise new capital. In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company prepares annual estimates of operating expenditures and monitors actual expenditures compared to the estimates in an effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund costs for the current year. These financing activities may include issuances of additional debt or equity securities.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Significant Accounting Policies, Critical Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Notes 2 and 3 of its audited financial statements for the year ended May 31, 2017.

Future Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the May 31, 2017 reporting period. The following new standards have been assessed, but are not expected to have any impact on the Company's financial statements:

(a) IFRS 15, Revenue from Contracts with Customers

IFRS 15 contains new standards on revenue recognition that will supersede IAS 18, *Revenue*, IAS 11, *Construction Contracts* and related interpretations. These standards are effective for the fiscal period beginning on or after January 1, 2018.

(b) IFRS 9, Financial Instruments

The IASB intends to replace IAS 39 – "*Financial Instruments: Recognition and Measurement*" in its entirety with IFRS 9 in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that

is principles-based and less complex than IAS 39. IFRS 9 requires that all financial assets be classified and subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. IFRS 9 can currently be adopted voluntarily, but is mandatory for years beginning on or after January 1, 2018.

(c) IFRS 16, Leases

The new standard on leases, supersedes IAS 17, Leases, and related interpretations. The standard is effective for years beginning on or after January 1, 2019.

Subsequent events

Property acquisition

On June 9, 2017, the Company entered into a Property Purchase Agreement (the "Agreement") with RSD Capital Corp. and Michel A. Lavoie (the "Vendors") to acquire a 100% undivided interest in the German Shepherd and Mystery properties (the "Properties") comprising 66 mineral claims covering approximately 3,900 hectares in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

The Agreement provides that the Company will acquire a 100% interest in the Properties in consideration for payment to the Vendors of an aggregate of \$50,000, and issuing total of 1,000,000 common shares of the Company. The Vendors will retain a 2% NSR on the Properties. The Company may elect to purchase one-half of the NSR from the Vendors for a payment of \$500,000, thereby leaving the Vendors with the remaining 1%.

Completion of the transactions is subject to receipt and filing by the Company of an NI 43-101 technical report respecting the Properties and to necessary stock exchange approvals by the parties.

Private placement

On June 28, 2017, the Company completed a non-brokered private placement of 2,000,000 common shares at \$0.30 per share for total proceeds of \$600,000. The Company paid a cash finder's fee of \$1,050.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of shares Issued or issuable
Common shares (see note below 'Contingently cancellable shares')	27,324,772
Stock options	750,000
Warrants	1,539,084

Contingently cancellable shares

On May 28, 2015, the Company and 096 entered into the Share Exchange, pursuant to which the Company acquired all of the issued and outstanding shares of 096 by issuing 25,799,981 common shares of the Company to the shareholders of 096, of which 23,219,980 shares are Performance Escrow Shares that are escrowed and contingently cancellable. The Performance Escrow Shares have no voting rights and cannot be transferred or pledged. The

Performance Escrow Shares will be released in four equal tranches upon 096 achieving the following milestones within a period of three years:

- (i) 5,805,000 common shares upon earning a total of \$1,000,000 in gross revenue;
- (ii) 5,805,000 common shares upon earning a total of \$3,000,000 in gross revenue;
- (iii) 5,805,000 common shares upon earning a total of \$4,500,000 in gross revenue; and
- (iv) 5,804,980 common shares upon earning a total of \$6,000,000 in gross revenue.

If the Performance Escrow Shares are not released according to the escrow agreement prior to August 21, 2018, being the date that is three years after the Closing of the Transaction, the Performance Escrow Shares will be returned to the Company and to be cancelled. The shareholders of 096 will not be entitled to the payment of any consideration or other compensation should the Performance Escrow Shares be cancelled. As the Company entered into an agreement on February 10, 2016 to dispose of the business of 096, the performance targets for the release of the Performance Escrow Shares will not be met, and the Company anticipates that the Performance Escrow Shares will be not released, and instead will be cancelled and returned to treasury when the three-year release deadline is reached.

Those shares are valued at \$Nil and excluded from the calculation of weighted average number of shares outstanding.

During the year ended May 31, 2017, the Company received and cancelled 5,875,272 Performance Escrow Shares from Wattie, and an additional 13,827,532 Performance Escrow Shares from other former 096 shareholders. As of May 31, 2017, 3,517,176 Performance Escrow Shares were held in escrow.

Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval.

The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

Directors and Officers: (as at the date of this MD&A):

Giovanni Gasbarro: Chief Executive Officer, President and Director

Bruno Gasbarro: Chief Financial Officer and Director

Guy Champagne: Director

Blair Holliday: Director

Salvatore Giantomaso: Director

Company contact:

Bruno Gasbarro @ 604-725-2700

On behalf of the Board of Directors

"Bruno Gasbarro"

Bruno Gasbarro – August 3, 2017