CRUZ COBALT CORP.

For the year ended July 31, 2018

Management's Discussion and Analysis ("MD&A")

Date of Report: November 21, 2018

The following discussion and analysis of the Company's financial condition and results of operations for the year ended July 31, 2018 should be read in conjunction with its consolidated financial statements and related notes. The requisite financial data presented for the relevant periods has 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 figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Disclaimer for Forward-Looking Information

Certain statements in this report are forward-looking statements, which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities such as the intended work programs on its existing property interests, the ability to meet financial commitments and the ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this Management's Discussion and Analysis. These assumptions, which include management's current expectations, estimates and assumptions about its current property interests, the global economic environment, the market price and demand for mineral commodities and its ability to manage the property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause the actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price for mineral commodities, (3) delays in the start of projects with respect to its property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mineral exploration and mining, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond its control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Nature of Business

Cruz Cobalt Corp. (the "Company") is involved in the identification, acquisition and exploration of mineral properties that management deems as potentially viable to assist in the growth of the Company. At July 31, 2018, the Company had mineral property interests located in Canada and in the USA.

Mineral Properties

Ontario Cobalt Prospects

In July 2016, the Company entered into a share purchase agreement (the "Cobalt Locaters SPA") with four arm's length vendors to purchase all of the issued and outstanding shares of Cobalt Locaters Inc., which holds a 100% interest in two cobalt prospects in B.C. and a 50% interest in four cobalt prospects in Ontario consisting of the Coleman Cobalt Prospect, the Bucke Cobalt Prospect, the Hector Cobalt Prospect, and the Johnson Cobalt Prospect.

In September 2016, the Company acquired a 100% interest in: 22 additional claim units for staking costs of $2,200 to increase the acreage of the Johnson Cobalt Prospect to approximately 900 acres; 36 claim units for staking costs of $3,600 to increase the acreage of Bucke Cobalt Prospect to approximately 1,480 acres; and 137 claim units for staking costs of $13,700 to increase the acreage of the Hector Cobalt Prospect to approximately 5,500 acres.

In December 2016, the Company acquired a 100% interest in 23 additional claim units for staking costs of $2,300 to increase the acreage of Coleman Cobalt Prospect to approximately 900 acres. Subsequent to July 31, 2018, the Company decided to drop these claim units. Prior acquisition costs of $2,300 were written off as of July 31, 2018.

In June 2017, the Company acquired a 100% interest in additional mineral claims in Ontario to increase the holdings in its Coleman Cobalt Prospect to approximately 1,580 acres for staking costs of $1,268.

In December 2017 and January 2018, the Company acquired a 100% interest in additional mineral claims in Ontario referred to as the Lorraine Cobalt Prospect that comprise approximately 10,556 acres for staking costs of $45,600. In April 2018, the Company acquired a 100% interest in additional mineral claims in Ontario to increase the holdings in its Lorraine Cobalt Prospect consisting of 305 cell units for staking costs of $15,290.

As disclosed in news releases on July 17, 2017, July 25, 2017, and September 7, 2017, the Company has received drill permits for the Bucke Cobalt Prospect, the Johnson Cobalt Prospect and the Hector Cobalt Prospect, which have each been approved by the Ministry of Northern Development and Mines.

As disclosed in news releases on August 15, 2018, the Company announced a magnetic geophysical survey was completed. 203 soils and 31 grab samples have been submitted to ALS in Sudbury. On September 18, 2018, the Company announced that a total of 5 rock grab samples returned greater than 0.1% cobalt and up to 2.02% cobalt (2018BKP040) from the Gillies East anomaly, in addition to anomalous silver and gold values (Table 1). Mineralization in outcrop occurs as narrow diabase-hosted potassium feldspar-carbonate veins ranging in width from less than 5 and up to 25 cm in width.

Table 1: 2018 Hector Cobalt Property Significant Rock Grab Sample Results

Sample ID	Prospect	Sample Type	Co (%)	Ag (g/t)	Au (g/t)
2018KBP040	Gillies East	Prospect Pit Float	**2.02**	**13.1**	-
2018KBP042		Outcrop	**0.61**	**4.1**	-
2018KBP034	Gillies West	Outcrop	**0.82**	-	-
2018KBP033		Outcrop	**0.42**	-	-
2018KBP037		Prospect Pit Float	**0.19**	-	-
2018KBP061		Outcrop	-	-	**0.37**

Of the 203 soil geochemical samples collected, a total of 22 samples returned greater than 10 parts-per-million (ppm) cobalt, and up to 98 ppm cobalt. Humus soil geochemical results define several north-northwest trending cobalt anomalies. A 200 x 200 meter cobalt soil anomaly centred on 3 samples returning greater than 20 ppm cobalt (Hector Anomaly) occurs a distance of 300 meters to the northwest of the historic Hector Silver Mine Shaft.

The Gillies East cobalt in soil anomaly lies a further 600 metres to the northwest, centred over an area of several historic prospect pits that returned cobalt in float and rock outcrop values of 2.02% and 0.61% cobalt. Along the western margin of the survey area, the northwest tending Gilles West anomaly returned the highest cobalt in soil results of 98 ppm cobalt, in addition to rock outcrop and float sample results of 0.82%, 0.42% and 0.19% cobalt, and 0.37 grams-per-tonne gold (2018KBP061).

The results of the geophysical survey define a 1.2 km northwest trending arcuate magnetic high anomaly interpreted to represent a strongly magnetic phase of a shallowly dipping Nipissing diabase sill that underlies much of the Hector Cobalt Property claims. The magnetic anomaly is coincident with the cobalt in soil anomalies and the location of numerous historic exploration pits targeting cobalt-silver mineralization; including the Historic Hector Silver Mine shaft that lies off the Property along eastern boundary.

As disclosed in news releases on November 5, 2018, crews have mobilized for the commencement of diamond drilling on the Hector cobalt property. The initial diamond drilling program will consist of four to seven holes. Crews are expected to complete the drilling shortly.

As at July 31, 2018, the Company had spent a total of $291,116 in exploration expenditures on the Ontario cobalt prospects.

Montana Chicken Hawk Cobalt Prospect

In February 2017, the Company entered into an agreement with an arm's length vendor to acquire a 100% interest in the Chicken Hawk Cobalt Prospect located in Deer Lodge County, Montana, U.S.A. This prospect consists of 64 contiguous lode claims covering approximately 1,300 acres. In July 2017, the Company acquired a 100% interest in 30 additional mineral claims for staking costs of $25,426. These claims were located contiguous to the existing Chicken Hawk Cobalt Prospect in Montana which increased the Company's holdings to 1,940 contiguous acres.

Subsequent to July 31, 2018, the Company decided to drop certain Montana Chicken Hawk claims and allowed them to lapse when they became due. Prior acquisition costs of $24,578 and exploration costs of $34,457 were written down as of July 31, 2018.

The Company is considering to conduct a follow up program in 2019, however, a final decision has not been concluded at this time.

As at July 31, 2018, the Company had spent a total of $90,033 in exploration expenditures on this prospect.

Nevada Clayton Valley West Lithium Prospect

During the year ended July 31, 2016, the Company entered into an agreement with an arm's-length vendor to acquire a 100% interest in six claim blocks in the Clayton Valley in Nevada, USA prospective for lithium. As of July 31, 2018, the Company had incurred a total of $5,304 in claim maintenance fees on this prospect.

At this time, there is no plan to do any follow up work in 2019. While the Company has been successful in securing financings in the past, there is no assurance that the Company will be able to do so in the future, and/or that the Company will be able to raise sufficient funds to meet its work commitments for all of its mineral properties.

BC War Eagle Cobalt Prospect

In June 2016, the Company acquired a 100% interest in certain mineral claims in British Columbia for staking costs of $3,496 and in January 2018, the Company acquired a 100% interest in additional mineral claims in British Columbia for staking costs of $7,283 to increase the acreage on the War Eagle Cobalt Prospect to 15,219 acres.

Subsequent to July 31, 2018, the Company decided to drop certain War Eagle claims and will allow them lapse when they become due. Accordingly, prior acquisition costs of $7,283 and exploration costs of $12,716 associated with these lapsed claims were written off as of July 31, 2018.

The Company conducted an airborne work program over its War Eagle Cobalt Prospect in January 2018. The Company plans to commence follow up operations on this property in 2019 consisting of general geological mapping and locating any old showings.

As at July 31, 2018, the Company had spent a total of $16,119 in exploration expenditures on this prospect.

Yukon Quartz Claims

During the year ended July 31, 2010, the Company acquired a 100% interest in ninety five load quartz mineral claims covering an area of approximately 4,836 acres, located in the Yukon Territory.

During the years ended July 31, 2013, 2015 and 2016, the Company decided not to continue with certain claims and allowed these claims to lapse when they became due. Accordingly, prior acquisition costs of $670,862 and exploration costs of $34,838 associated with these lapsed claims were written off.

The Company may continue exploration activities if the Company is able to obtain sufficient financing. While the Company have been successful in securing financings in the past, there is no assurance that the Company will be able to do so in the future, and/or that the Company will be able to raise sufficient funds to meet its work commitments for all of its properties. The Company has no plans to work on this property in 2019.

As at July 31, 2018, the Company had spent a total of $1,707 in exploration expenditures on the remaining Yukon quartz claims.

Idaho Star Cobalt Prospect

In October 2016, the Company acquired a 100% interest in the Idaho Star Cobalt Prospect in Idaho, U.S.A. for staking costs of $39,964. This prospect is located approximately 9 miles southwest of Saltese, Montana and 19 miles southeast of Wallace, Idaho. This prospect consists of 44 contiguous claims within the Idaho Cobalt Belt. In July 2017, the Company conducted a soil sampling program on its Idaho Star Cobalt Prospect.

Subsequent to July 31, 2018, the Company decided to drop certain Idaho claims and allowed them to lapse when they became due. Prior acquisition costs of $36,330 and exploration costs of $32,122 were written down as of July 31, 2018.

The Company is considering to conduct a follow up program in 2019, however, a final decision has not been concluded at this time.

As at July 31, 2018, the Company had spent a total of $3,213 in exploration expenditures on this prospect.

BC Purcell Cobalt Prospect

Under the Cobalt Locaters SPA, the Company indirectly acquired a 100% interest in two cobalt prospects in B.C..

In January 2018, the Company acquired a 100% interest in additional mineral claims in British Columbia for staking costs of $7,197 to increase the acreage on the Purcell Cobalt Prospect to 11,821 acres.

Subsequent to July 31, 2018, the Company decided to drop the entire property. Prior acquisition costs of $285,863 and exploration costs of $20,351 were written off as of July 31, 2018.

Ontario Kenagami Hydrothermal Graphite Prospect

On November 13, 2013, the Company entered into a purchase agreement with an arm's length vendor (the "Kenagami Vendor") to acquire a 100% interest in the Kenagami hydrothermal graphite prospect, consisting of four claims. The Company was required to make a cash payment of $20,000 and issued 300,000 common shares (issued at a value of $71,500) in set payments on or before September 25, 2017.

In August 2017, the Company decided not to continue with this property. Accordingly, prior acquisition costs of $73,000 and exploration costs of $5,738 were written off as of July 31, 2017.

Sale of Idaho Cobalt Prospect

In September 2016, the Company partnered with three non-related parties (the "Idaho Vendors") to acquire prospective cobalt assets and properties through a private British Columbia corporation (the "BC Company"). The BC Company and the Company were related as they have one common director. The Company held a 20% equity interest and the Idaho Vendors held an 80% equity interest in the BC Company, respectively. The BC Company indirectly acquired certain mineral claims located in the State of Idaho through its wholly-owned subsidiary (the "Idaho Subco") for $71,774. The Company paid 20% of the acquisition costs in the amount of $14,355. On September 9, 2016, the Company and the Idaho Vendors entered into a share purchase agreement with Scientific Metals Corp. ("Scientific"), an arm's length party, to sell their equity interests in the BC Company. In consideration, Scientific issued 500,000 common shares valued at $150,000 to the Company and 2,000,000 common shares to the Idaho Vendors. Accordingly, the Company recorded a realized gain of $135,645 for the sale of this asset, which was included in profit or loss in the year ended July 31, 2017. The Scientific shares were also sold by the Company for proceeds of $295,990 resulting in a gain of $145,990.

Overall Performance

The Company is a mineral exploration company engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. The Company does not expect to generate any revenues in the foreseeable future or until a mineable reserve is defined and economically recoverable. The Company expects to continue to incur expenses as it works to further explore and develop its mineral properties.

The Company has conducted limited exploration on some of its properties, due to, among other things, the availability of sufficient funds for the purposes of mineral exploration and development, access to the property due to climate conditions, the uncertainties associated with the prices of precious and base metals and other minerals, and the global economic climate. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable.

The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets. The recoverability of minerals from the Company's properties is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its properties and upon future profitable production. Uncertainty in credit markets, fluctuation in commodity prices and general economic downturns has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulty raising equity financing for the purposes of exploration and development of the Company's properties, without diluting the interests of current shareholders of the Company. See "Liquidity and Capital Resources" and "Risk and Uncertainties" for a discussion of risk factors that may impact the Company's ability to raise funds.

Information about the Company's commitments relating to its mineral properties is discussed above under "Nature of Business – Mineral Properties".

The Company did not generate any revenue during the years ended July 31, 2018 and 2017. The Company's net comprehensive loss increased from $1,138,590 for the year ended July 31, 2017 to $1,988,331 for the year ended July 31, 2018, mainly due to an increase in operating expenses of $253,431, an increase in the write-down of exploration and evaluation assets of $377,262, a decrease in realized gain on sale of exploration and evaluation assets of $135,645, and a decrease in realized gain on sale of marketable securities of $145,990. The Company's cash and cash equivalents increased from $1,926,311 as at July 31, 2017 to $2,807,027 as at July 31, 2018. The Company had a working capital of $3,063,030 as at July 31, 2018, as compared to $1,248,574 as at July 31, 2017.

The Company's current assets have increased to $3,106,184 as at July 31, 2018 from $2,006,108 as at July 31, 2017, due mainly to an increase in cash and cash equivalents and an increase in prepaid expenses. The Company's current liabilities have decreased from $757,534 as at July 31, 2017 to $43,154 as at July 31, 2018, mainly due to a decrease in accounts payable and accrued liabilities as well as a decrease in flow-through share premium liability. The value ascribed to the Company's exploration and evaluation assets has decreased from $1,836,204 as at July 31, 2017 to $1,701,097 as at July 31, 2018, due mainly to the write-down of BC Purcell Cobalt Prospect, BC War Eagle Cobalt Prospect, Idaho Star Cobalt Prospect and Montana Chicken Hawk Cobalt Prospect totaling $456,000, offset by the exploration work totaling $179,148 performed on the cobalt prospects in Ontario, staking costs totaling $75,370 incurred for cobalt claims in British Columbia and Ontario, and claim maintenance fees totaling $30,571 incurred to renew its mineral exploration properties as set described above.

Additional information about the risks and uncertainties relating to the Company's business and financial performance is discussed below under "Risks and Uncertainties".

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the eight most recently completed interim quarters:

	2018 Fourth	2018 Third	2018 Second	2018 First	2017 Fourth	2017 Third	2017 Second	2017 First
Revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Operating expenses	$(70,093)	$(315,360)	$(990,494)	$(248,151)	$(348,183)	$(400,822)	$(223,349)	$(398,313)
Loss before other items	$(70,093)	$(315,360)	$(990,494)	$(248,151)	$(348,183)	$(400,822)	$(223,349)	$(398,313)
Loss per share (Basic and diluted)	$(0.001)	$(0.000)	$(0.010)	$(0.004)	$(0.006)	$(0.007)	$(0.010)	$(0.010)
Other items:								
Interest income	$9,240	$8,577	$5,703	$3,079	$846	$979	$(823)	$3,436
Gain on write-off of accounts payable	$16,660	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Other income on settlement of flow-through share premium liability	$3,410	$4,125	$16,827	$24,146	$24,742	$Nil	$Nil	$Nil
Realized gain on sale of exploration and evaluation assets	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$135,645
Realized gain on sale of marketable securities	$Nil	$Nil	$Nil	$Nil	$Nil	$137,325	$(210)	$8,875
Unrealized gain on marketable securities	$Nil	$Nil	$Nil	$Nil	$Nil	$(3,480)	$(10,020)	$13,500
Write-down of mineral properties	$(456,000)	$Nil	$Nil	$Nil	$(78,738)	$Nil	$Nil	$Nil
Net comprehensive loss	$(496,783)	$(302,658)	$(967,964)	$(220,926)	$(401,333)	$(265,998)	$(234,402)	$(236,857)
Basic and diluted loss per share	$(0.007)	$(0.000)	$(0.010)	$(0.004)	$(0.007)	$(0.005)	$(0.006)	$(0.006)

Summary of Results During Prior Eight Quarters

Net comprehensive loss slightly decreased by $2,455 from the first to the second quarter of 2017 mainly due to a decrease in share-based payments and transfer agent and filing fees offset by a decrease in the gain on sale of exploration and evaluation assets. Net comprehensive loss increased by $31,596 from the second to the third quarter of 2017 mainly due to an increase in share-based payment expenses and in travel and promotion expenses offset by an increase in realized gain on sale of marketable securities. Net comprehensive loss increased by $135,335 from the third to the fourth quarter of 2017 mainly due to an increase in the write-down of exploration and evaluation assets and a decrease in realized gain on sale of marketable securities offset by a decrease in travel and promotion expenses. Net comprehensive loss decreased by $180,407 from the fourth quarter of 2017 to the first quarter of 2018 mainly due to a decrease in share-based payments. Net comprehensive loss increased by $747,038 from the first to the second quarter of 2018 mainly due to an increase in consulting fees, travel and corporate branding, and share-based payment expenses. Net comprehensive loss decreased by $665,306 from the second to the third quarter of 2018 mainly due to a decrease in share-based payments and a decrease in travel and corporate branding expenses. Net comprehensive loss increased by $194,125 from the third to the fourth quarter of 2018 mainly due to an increase in the write-down of exploration and evaluation assets offset by a decrease in share-based payments and a decrease in corporate branding expenses.

Selected Annual Information

The following table sets out selected audited financial information for the Company, which has been prepared in accordance with IFRS:

	Year ended July 31,		
	2018	**2017**	**2016**
Total revenues	$Nil	$Nil	$Nil
Loss before discontinued operations and extraordinary items:			
Total	$(1,988,331)	$(1,138,590)	$(594,155)
Per share	$(0.03)	$(0.02)	$(0.04)
Per share fully diluted	$(0.03)	$(0.02)	$(0.04)
Net comprehensive loss:			
Total	$(1,988,331)	$(1,138,590)	$(594,155)
Per share	$(0.03)	$(0.02)	$(0.04)
Per share fully diluted	$(0.03)	$(0.02)	$(0.04)
Total assets	$4,836,901	$3,871,932	$206,329
Total long term debt	$Nil	$Nil	$Nil
Cash dividends	$Nil	$Nil	$Nil

Year ended July 31, 2018 Compared to the Year ended July 31, 2017

The Company did not generate any revenue for the years ended July 31, 2018 and 2017. Net comprehensive loss increased by $849,741 from $1,138,590 for the year ended July 31, 2017 to $1,988,331 for the year ended July 31, 2018 due mainly to an increase in operating expenses, an increase in the write-down of exploration and evaluation assets of $377,262 (year ended July 31, 2018: $456,000; year ended July 31, 2017: $78,738), a decrease in realized gain on sale of exploration and evaluation assets of $135,645 (year ended July 31, 2018: $Nil; year ended July 31, 2017: $135,645), and a decrease in realized gain on sale of marketable securities of $145,990 (year ended July 31, 2018: $Nil; year ended July 31, 2017: $145,990). Operating expenses increased by $253,431 from $1,370,667 for the year ended July 31, 2017 to $1,624,098 for the year ended July 31, 2018 due mainly to an increase in investor relations expenses, professional fees, and corporate branding expenses, offset by a decrease in consulting fees, and transfer agent and filing fees.

Increased investor relations expenses (year ended July 31, 2018: $200,000; year ended July 31, 2017: $Nil) were due to the Company engaged two arm's length entities to provide digital marketing, digital media, corporate advisory and branding and strategic business services to the Company over an 18 month period from December 2017. Management anticipates that the investor relations expenses may stay at or near this level in the next twelve month period as the Company prepaid the total amount of $450,000 to these two entities using cash on hand.

Increased professional fees (year ended July 31, 2018: $143,795; year ended July 31, 2017: $87,923) were due to an increase in legal fees (year ended July 31, 2018: $58,255; year ended July 31, 2017: $27,097) as well as an increase in accounting and audit fees (year ended July 31, 2018: $85,540; year ended July 31, 2017: $60,826). Higher legal fees were due to services rendered in relation to corporate governance. Higher audit, tax and accounting fees also contribute to the increase due to numerous financings, including a flow-through share financing and other matters. Management anticipates that professional fees may stay at or near this level in the next twelve month period.

During the year ended July 31, 2018, corporate branding expenses increased to $500,832 (year ended July 31, 2017: $439,997). Total corporate branding expenses of $500,832 during the year ended July 31, 2018 included $12,106 (year ended July 31, 2017: $115,871) in conference expenses and $529,613 (year ended July 31, 2017: $324,126) in branding expenses, offset by $40,887 which was a chargeback to Sienna Resources Inc., a public company with one common director, for its share of 2017 conference expenses.

Total branding expenses of $529,613 during the year ended July 31, 2018 included the following:

- $150,345 (year ended July 31, 2017: $71,473) for European marketing and news dissemination with Aktiencheck.de AG;
- $43,189 (year ended July 31, 2017: $8,249) for TV ads with Blue Sun Productions Inc.;
- $24,544 (year ended July 31, 2017: $39,443) for lead generation and news dissemination with Dig Media Inc.;
- $68,335 (year ended July 31, 2017: $Nil) for Google advertising with ExInfluence Media Corp.;
- $18,363 (year ended July 31, 2017: $Nil) for Google banner advertisement branding;
- $7,933 (year ended July 31, 2017: $15,867) for news dissemination and awareness with Equities.com Inc.;
- $6,480 (year ended July 31, 2017: $6,480) for news dissemination and awareness with Junior Gold Report Inc.;
- $10,084 (year ended July 31, 2017: $2,750) for news dissemination and awareness with Market Smart Communications Inc.;
- $5,000 (year ended July 31, 2017: $55,000) for news dissemination and awareness with Stockhouse Publishing Ltd.;
- $12,566 (year ended July 31, 2017: $Nil) for news dissemination and awareness with Financial Buzz Media Networks;
- $12,000 (year ended July 31, 2017: $12,000) for social media services related to the corporate twitter;
- $11,520 (year ended July 31, 2017: $12,858) for magazine advertisement with Benchmark Mineral Intelligence Ltd.;
- $9,420 (year ended July 31, 2017: $Nil) for video version of news release with Investment Pitch Media;
- $8,750 (year ended July 31, 2017: $1,250) for global marketing with Proactive Investors LLC;
- $13,256 (year ended July 31, 2017: $Nil) for video advertisement on airplanes with INK;

- $76,974 (year ended July 31, 2017: $Nil) to engage Market IQ Media Group Incorporated to design landing page and content development for the Company's website; and
- $50,854 (year ended July 31, 2017: $32,895) for other branding expenses.

The corporate branding expenses were incurred to increase the awareness of the Company and the cobalt industry in general. Management anticipates such expenses may be similar or to decrease slightly in the next 12 month period due to management's decision to decrease overall branding expenses, including a decision to decrease television and magazine advertisements.

Conference expenses decreased to $12,106 (year ended July 31, 2017: $115,871). The Company's President, director or consultants attended the following major trade shows or conferences on behalf of the Company:

- During the year ended July 31, 2018, the Company's President and one director attended the 2018 PDAC Convention in Toronto for total expenses of $10,207;
- During the year ended July 31, 2017, the Company's President and one director attended the 2017 PDAC Convention in Toronto for total expenses of $16,544 and the MINE Expo International in Las Vegas for total expenses of $17,728;
- During the year ended July 31, 2017, one consultant attended two conferences in Quebec for total expenses of $14,157, the New Orleans Louisiana Investment Conference for total expenses of $13,701, the Toronto Money Show and Niagara Capital Conference for total expenses of $19,709, and the Raise conference at the STAMPEDE Investor Conference in Calgary for total expenses of $9,030; and
- During the year ended July 31, 2017, the Company incurred $16,700 for sponsorship and advertising for the Benchmark World Tour.

Management attended these conferences to increase exposure of the Company's brand and facilitate opportunities to expand its shareholder base and potentially discuss business opportunities in the cobalt exploration and development industry. Management anticipates such expenses are expected to decrease in the next 12 month period as it currently anticipates on attending a reduced number of conferences and trade shows.

Consulting fees paid by the Company (year ended July 31, 2018: $129,625; year ended July 31, 2017: $188,652) generally include the following two categories: corporate and business advisory; secretarial and data entry services.

Total consulting fees during the year ended July 31, 2018 consisted of $84,000 (year ended July 31, 2017: $111,366) for business advisory services. Such payments were generally made to third party consultants for certain corporate advisory, strategic planning and related advisory services that assisted in project evaluation. The Company paid $45,625 during the year ended July 31, 2018 (year ended July 31, 2017: $77,286) for internal secretarial and data entry services. Consulting fees decreased because seven consultants no longer work for the Company and the Company has streamlined its work and is not looking to replace those consultants. Management anticipates that these consulting fees may stay at or near this level in the next twelve month period.

Transfer agent and filing fees decreased to $35,495 (year ended July 31, 2017: $85,478). Transfer agent and filing fees decreased because the Company incurred $14,016 in DTC filing fees and incurred $33,286 in transfer agent and filing fees in association with a forward split, both were one-time charge, in the year ended July 31, 2017. Management anticipates that the transfer agent and filing fees may stay at or near this level in the next twelve month period.

Year ended July 31, 2017 Compared to the Year ended July 31, 2016

The Company did not generate any revenue for the year ended July 31, 2017 or the year ended July 31, 2016. Net comprehensive loss increased by $544,435 from $594,155 for the year ended July 31, 2016 to $1,138,590 for the year ended July 31, 2017 due mainly to an increase in operating expenses, offset by an increase in realized gain on sale of exploration and evaluation assets (year ended July 31, 2017: $135,645; year ended July 31, 2016: $Nil), an increase in realized gain on sale of marketable securities (year ended July 31, 2017: $145,990; year ended July 31, 2016: $Nil) and a decrease in the write-down of exploration and evaluation assets (year ended July 31, 2017: $78,738; year ended July 31, 2016: $205,280). Operating expenses increased by $981,815 from $388,852 for the year ended July 31, 2016 to $1,370,667 for the year ended July 31, 2017 due mainly to an increase in management fees, professional fees, share-based payments, transfer agent and filing fees, and corporate branding expenses.

Increased management fees (year ended July 31, 2017: $103,950; year ended July 31, 2016: $13,000) were due to numerous property acquisitions, financings, including a flow-through share financing and other matters.

Increased professional fees (year ended July 31, 2017: $87,923; year ended July 31, 2016: $36,822) were due to an increase in legal fees (year ended July 31, 2017: $27,097; year ended July 31, 2016: $10,801) as well as an increase in accounting and audit fees (year ended July 31, 2017: $60,826; year ended July 31, 2017: $26,021). Higher legal fees were due to services rendered in relation to the acquisition of Cobalt Locaters and certain corporate changes including a stock split and name change. Higher audit, tax and accounting fees also contributed to the increase due to numerous financings, including a flow-through share financing and other matters.

Share-based payments increased to $363,702 (year ended July 31, 2016: $82,668). Increased share-based payments were due to the Company granted a total of 8,200,000 stock options with exercise prices ranging from $0.20 to $0.35 per share and expiry dates ranging from December 9, 2016 to October 9, 2017 (year ended July 31, 2016: 1,500,000 stock options were granted with an exercise price of $0.117 per share and an expiry date of January 25, 2017).

Transfer agent and filing fees increased to $85,478 (year ended July 31, 2016: $24,329). Transfer agent and filing fees increased because the Company incurred $14,016 in DTC filing fees and incurred $33,286 in transfer agent and filing fees in association with a forward split, both were one-time charge, in the year ended July 31, 2017.

During the year ended July 31, 2017, corporate branding expenses increased to $439,997 (year ended July 31, 2016: $12,188). Total corporate branding expenses of $439,997 during the year ended July 31, 2017 included $115,871 (year ended July 31, 2016: $Nil) in conference expenses and $324,126 (year ended July 31, 2016: $12,188) in branding expenses.

The corporate branding expenses were incurred to increase the awareness of the Company and the cobalt industry in general. Total branding expenses of $324,126 during the year ended July 31, 2017 included the following:

- $71,473 (year ended July 31, 2016: $Nil) for European marketing and news dissemination with Aktiencheck.de AG;
- $8,249 (year ended July 31, 2016: $Nil) for TV ads with Blue Sun Productions Inc.;
- $39,443 (year ended July 31, 2016: $2,063) for lead generation and news dissemination with Dig Media Inc.;
- $27,000 (year ended July 31, 2016: $Nil) for media letter marketing with 2514172 Ontario Inc.;
- $13,769 (year ended July 31, 2016: $Nil) for video advertisement with Ellis Martin;

- $15,867 (year ended July 31, 2016: $Nil) for news dissemination and awareness with Equities.com Inc.;
- $6,480 (year ended July 31, 2016: $Nil) for news dissemination and awareness with Junior Gold Report Inc.;
- $13,125 (year ended July 31, 2016: $1,875) for news dissemination and awareness with InvestorIntel Corp.;
- $55,000 (year ended July 31, 2016: $Nil) for news dissemination and awareness with Stockhouse Publishing Ltd.;
- $11,967 (year ended July 31, 2016: $Nil) for European marketing and news dissemination with Wallstreet-online AG;
- $12,000 (year ended July 31, 2016: $1,000) for social media services related to the corporate twitter;
- $12,858 (year ended July 31, 2016: $Nil) for magazine advertisement with Benchmark Mineral Intelligence Ltd.; and
- $36,895 (year ended July 31, 2016: $7,250) for other branding expenses.

Conference expenses increased to $115,871 (year ended July 31, 2016: $Nil). The Company's President, director or consultants attended the following major trade shows or conferences on behalf of the Company:

- During the year ended July 31, 2017, the Company's President and one director attended the 2017 PDAC Convention in Toronto for total expenses of $16,544 and the MINE Expo International in Las Vegas for total expenses of $17,728;
- During the year ended July 31, 2017, one consultant attended two conferences in Quebec for total expenses of $14,157, the New Orleans Louisiana Investment Conference for total expenses of $13,701, the Toronto Money Show and Niagara Capital Conference for total expenses of $19,709, and the Raise conference at the STAMPEDE Investor Conference in Calgary for total expenses of $9,030; and
- During the year ended July 31, 2017, the Company incurred $16,700 for sponsorship and advertising for the Benchmark World Tour.

Management attended these conferences to increase exposure of the Company’s brand and facilitate opportunities to expand its shareholder base and potentially discuss business opportunities in the cobalt exploration and development industry.

See “Nature of Business – Mineral Properties” for a discussion of the Company's mineral properties on a property by property basis, including its plans for the mineral properties, the status of its plans, expenditures made and the anticipated timing and costs to take its mineral properties to the next stage of the project plan.

See “Overall Performance” for a discussion of the commitments, events, risks and uncertainties that the Company believe will materially affect its future performance and “Risks and Uncertainties” for a discussion of risk factors affecting the Company.

Discussion of Operations

Use of Proceeds

The table below provides an update as to the status of how the Company has previously announced a proposed use of proceeds from prior financings and the actual use of such proceeds.

Financing	Previously Disclosed Use of Proceeds	Status of Use of
August 2016 *Private Placement* $293,000 Flow-through	Flow-through funds - towards existing Canadian properties.	As of the date of this report, $293,000 in flow-through funds has all been used.
$550,000 Flow-through *August 2017* *Private Placement*	Flow-through funds - towards existing Canadian properties.	As of the date of this report, approximately $116,000 in flow-through funds were used; and $384,000 in flow-through funds has not been used.

In August 2016, the Company closed a private placement consisting of 18,000,000 non flow-through units at $0.10 per unit and 2,197,500 flow-through units at $0.133 per unit for gross proceeds of $2,093,000. Each non flow-through unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.15 per share until August 24, 2019. Each flow-through unit consisted of one flow-through common share and one share purchase warrant which entitles the holder to purchase one additional non flow-through common share of the Company at a price of $0.167 per share until August 24, 2019. In connection with the financing, the Company paid aggregate finder's fees of $93,852 and issued 801,762 non flow-through broker warrants ("NFT Broker Warrants") and 102,600 flow-through broker warrants ("FT Broker Warrants"). Each NFT Broker Warrant will be exercisable at $0.15 per share into one common share until August 24, 2019. Each FT Broker Warrant will be exercisable at $0.167 per share into one common share until August 24, 2019.

In August 2017, the Company closed a non-brokered private placement (the "Offering") consisting of 2,619,047 flow-through shares at $0.21 per share for gross proceeds of $550,000. The Company incurred filing fees of $4,100 and legal fees of $7,170, paid an aggregate finders' fees of $38,500, and issued 183,333 broker warrants (the "Broker Warrants") in connection with the Offering. Each Broker Warrant is exercisable at $0.21 per share into one common share until August 11, 2020.

Liquidity and Capital Resources

Liquidity

At July 31, 2018, the Company had $2,807,027 in cash and cash equivalents and a working capital of $3,063,030 as compared to $1,926,311 in cash and cash equivalents and a working capital of $1,248,574 at July 31, 2017.

The Company's current assets have increased to $3,106,184 as at July 31, 2018 from $2,006,108 as at July 31, 2017 due mainly to an increase in cash and cash equivalents as well as an increase in prepaid expenses. The Company's current liabilities have decreased from $757,534 as at July 31, 2017 to $43,154 as at July 31, 2018, mainly due to a decrease in accounts payable and accrued liabilities and a decrease in flow-through share premium liability. The value ascribed to the Company's exploration and evaluation assets has decreased from $1,836,204 as at July 31, 2017 to $1,701,097 as at July 31, 2018, due mainly to the write-down totaling $456,000 of BC Purcell Cobalt Prospect, BC War Eagle Cobalt Prospect, Idaho Star Cobalt Prospect and Montana Chicken Hawk Cobalt Prospect, offset by the exploration work totaling $179,148 performed on the cobalt prospects in Ontario, staking costs totaling $75,370 incurred for cobalt claims in British Columbia and Ontario, and claim maintenance fees totaling $30,571 incurred to renew its mineral exploration properties as set described above.

In August 2017, the Company closed a non-brokered private placement consisting of 2,619,047 flow-through shares at $0.21 per share for gross proceeds of $550,000. The Company incurred filing fees of $4,100 and legal fees of $7,170, paid an aggregate finders' fees of $38,500, and issued 183,333 broker warrants in connection with the private placement.

In December 2017, the Company closed a non-brokered private placement consisting of 2,000,000 units at $0.225 per share for gross proceeds of $450,000. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of $0.30 per share until December 22, 2019. The Company incurred filing fees of $3,000 in connection with the financing.

On December 1, 2017, the Company entered into two consulting agreements with two arm's length entities for them to provide digital marketing, digital media, corporate advisory and branding and strategic business services to the Company over an 18 month period. The Company prepaid a total of $450,000 to these two entities.

During the year ended July 31, 2018, the Company received gross proceeds of $2,356,268 for the following transactions:

- 210,000 share purchase warrants exercised at $0.05 per share, 8,026,897 share purchase warrants exercised at $0.15 per share, 849,900 share purchase warrants exercised at $0.17 per share, and 600,000 share purchase warrants exercised at $0.33 per share; and

- 4,000,000 stock options exercised at $0.20 per share.

Management believes that the Company's cash and cash equivalents are sufficient to meet the current working capital requirements, including the existing commitments relating to the Company's mineral properties. But in future, the Company expects to raise additional capital as the needs arise. See "Nature of Business – Mineral Properties" and "Overall Performance" for a discussion of the Company's commitments relating to its mineral properties. As a mineral exploration company, its expenses are expected to increase as the Company explores its mineral properties further. Management does not expect the Company to generate sustained revenues from mineral production in the foreseeable future.

The Company's ability to conduct the planned work programs on its mineral properties, meet ongoing levels of corporate overhead and discharge its liabilities as they become due is dependent, in large part, on the ability of management to raise additional funds as necessary. Management anticipates that additional equity financings will need to be conducted to raise additional funds which, if successful, will result in dilution in the equity interests of the Company's current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. Although the Company have secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that is favourable to the Company or at all. The Company's ability to raise additional funds in the future and its liquidity may be negatively impacted by a number of factors, including changes in commodity prices, market volatility and general economic downturns.

Capital Resources

The Company has the following commitments for capital expenditures with respect to its mineral properties as of July 31, 2018. The expenditures are optional and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to such properties.

- *BC War Eagle Cobalt Prospects*:

    - The Company owns a 100% interest in one mineral claim, which is in good standing until December 13, 2019. In order to keep this claim in good standing, the Company is required to incur a minimum of $19,977 in exploration expenditures on this claim by December 13, 2019 or to pay cash-in-lieu of $39,954.

- *Yukon Quartz Claims*:

    - Two Yukon Quartz claims are in good standing until October 3, 2019. In order to renew these claims for another year, the Company is required to pay an annual rent of $210 to the Government of Yukon by October 3, 2019 for the Yukon Quartz claims, unless the Company spends an amount greater than that in exploration beforehand. In addition, the Company is also required to pay the claim recording fees of $10 to the Government of Yukon by October 3, 2019.

- *Ontario Coleman, Bucke, Hector, and Johnson Cobalt Prospects*:

    - These mineral claims are in good standing until June 26, 2019 or later. In order to keep these claims in good standing, the Company was required to incur a minimum of $79,600 in exploration expenditures on these claims by June 26, 2019, of which $406,116 had been incurred. The Company will file a report with Ontario to renew these claims.

- *Ontario Lorraine Cobalt Prospects*:

    - Certain mineral claims are in good standing until December 29, 2019. In order to keep these claims in good standing, the Company was required to incur a minimum of $90,400 in exploration expenditures on these claims by December 29, 2019.

    - Certain mineral claims are in good standing until January 10, 2020. In order to keep these claims in good standing, the Company was required to incur a minimum of $16,400 in exploration expenditures on these claims by January 10, 2020.

- *Nevada Clayton Valley West Lithium Prospect:*

    - These mineral claims are in good standing until September 1, 2019. In order to keep these claims in good standing, the Company is required to pay BLM fees of USD$1,860 and county fees of USD$144 by September 1, 2019.

- *Idaho Star Cobalt Prospect:*

    - These mineral claims are in good standing until September 1, 2019. In order to keep these claims in good standing, the Company is required to pay maintenance fees of USD$620 by September 1, 2019.

- *Montana Chicken Hawk Cobalt Prospect:*

    - These mineral claims are in good standing until September 1, 2019. In order to keep these claims in good standing, the Company is required to pay maintenance fees of USD$10,075 by September 1, 2019.

See "Nature of Business – Mineral Properties" for a discussion of the Company's capital expenditure commitments with respect to its mineral properties.

During the year ended July 31, 2017, the Company entered into a lease agreement for office premises for a three-year period beginning August 1, 2017 and ending July 31, 2020. The Company is required to pay office rent (net of taxes) as follows: pay a total of pay a total of $83,342 by July 31, 2019; and pay a total of $85,227 by July 31, 2020. However, the Company shares its office space with four related public companies. The Company invoices these public companies for their share of the office rent on a monthly basis.

Operating Activities

During the year ended July 31, 2018 and, 2017, operating activities used cash of $2,038,037 and $1,813,806, respectively. The use of cash for the year ended July 31, 2018 was mainly attributable to its loss for the period of $1,988,331, to increased prepaid expenses of $209,590 and decreased accounts payable and accrued liabilities of $585,360, offset by share-based payments of $364,182 and write-down of the exploration and evaluation assets of $456,000. The use of cash for the year ended July 31, 2017 was mainly attributable to its loss for the period of $1,138,590, to decreased accounts payable and accrued liabilities of $764,710, to realized gain on sale of marketable securities of $145,990 and to realized gain on sale of exploration and evaluation assets of $135,645, offset by share-based payment of $363,702 and write-down of the exploration and evaluation assets of $78,738.

Investing Activities

During the year ended July 31, 2018, the Company used cash of $384,745 in investing activities due to investments in exploration and evaluation assets. During the year ended July 31, 2017, the Company used cash of $24,636 from investing activities due to proceeds from sale of marketable securities of $295,990 offset by investments in exploration and evaluation assets in the amount of $320,626.

Financing Activities

During the year ended July 31, 2018, the Company was provided $3,303,498 by financing activities, of which $3,356,268 was proceeds from issuance of share capital, offset by share issue costs of $52,770.

During the year ended July 31, 2017, the Company was provided $3,718,591 by financing activities, of which 3,994,891 was proceeds from issuance of share capital, offset by share issue costs of $106,800 and loan repayments of $169,500.

Changes in Accounting Policies including Initial Adoption

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards.

IFRS 9 – Financial Instruments ("IFRS 9")

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018. The Company does not expect the adoption of this standard to significantly affect these consolidated financial statements.

IFRS 16 – Leases ("IFRS 16")

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 the 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 is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Parties Transactions

During the year ended July 31, 2018, the Company incurred aggregate management fees of $117,500 to two directors, James Nelson and Seth Kay. There are no management agreements in place and the Company has no contractual requirement to continue paying management fees. During the year ended July 31, 2018, the Company accrued a total of $7,500 in directors' fees payable to three directors, James Nelson, Seth Kay and Gregory Thomson. Management fees, directors' fees and share-based payments are intended to compensate such persons for their time and dedication to the Company.

During the year ended July 31, 2018, the Company paid $60,000 to an officer in consideration for accounting services provided to the Company. Such payments were made in lieu of management fees to its Chief Financial Officer, Cindy Cai.

During the year ended July 31, 2018, the Company incurred share-based payments of $9,752 to two directors, James Nelson and Seth Kay. As a mineral exploration issuer, the Company partially relies on the issuance of stock options to compensate its directors and officers for their time and dedication to the Company.

As at July 31, 2018, accounts payable and accrued liabilities include $7,500 (July 31, 2017: $7,794) in aggregate directors' fees payable to three directors.

At July 31, 2018, related party receivables include $3,512 (July 31, 2017: $18,282) due from four public companies with common directors for recoverable office and administrative expenses as below: $630 due from Makena Resources Inc. for unpaid administrative expenses; $1,731 due from Spearmint Resources Inc. for unpaid office and administrative expenses; $380 due from YDreams Global Interactive

Technologies Inc. for unpaid administrative expenses; and $771 due from Sienna Resources Inc. for unpaid administrative expenses.

During the year ended July 31, 2018, the Company reimbursed Makena Resources Inc., a public company with one common director, in the amount of $Nil (year ended July 31, 2017: $18,396) for service provided by the Chief Financial Officer.

All transactions with related parties have occurred and are measured at the amount of consideration established and agreed to by the related parties.

Fourth Quarter - Unaudited

The Company did not have any revenue during the three months ended July 31, 2018 and 2017. Total operating expenses were $70,093 for the three months ended July 31, 2018, as compared to $348,183 for the three months ended July 31, 2017. The decrease resulted primarily from a decrease of $383,398 in share-based payments and $28,443 in corporate branding expenses offset by an increase of $75,000 in investor relations and $53,057 in professional fees. Decreased share-based payments were due to a correction entry put through in the fourth quarter of 2018. Decreased corporate branding expenses were due to management's decision to decrease overall branding expenses. Increased investor relations were due to the Company engaged two arm's length entities to provide digital marketing, digital media, corporate advisory and branding and strategic business services to the Company over an 18 month period from December 2017. Increased professional fees were due to higher accounting and audit fees resulting from numerous financings, including a flow-through share financing and other matters.

Net comprehensive loss increased to $496,783 for the three months ended July 31, 2018 as compared to $401,333 for the three months ended July 31, 2017. The increase resulted primarily by an increase in the write-down of exploration and evaluation assets offset by a decrease in operating expenses.

Financial Instruments and Other Instruments

Financial instruments

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 receivables and accounts payable and accrued liabilities approximates their carrying values due to the short-term nature of the financial instruments. The Company's cash and cash equivalents are measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at July 31, 2018, the Company has a minimal exposure to the US$ that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. The Company considers this risk to be insignificant and therefore does not hedge its foreign exchange risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at July 31, 2018, the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has non-interest bearing debt instruments and is therefore not exposed to risk in the event of interest rate fluctuations. As at July 31, 2018, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk and price risk.

Proposed Transactions

Other than as disclosed herein, the Company does not have any proposed transactions as of the date of this report.

Additional Disclosure for Venture Issuers without Significant Revenue

During the year ended July 31, 2018 and 2017, the Company incurred expenses including the following:

	2018	**2017**
Operating expenses	$1,624,098	$1,370,667
Capitalized exploration costs	$245,523	$261,665
Capitalized acquisition costs	$75,370	$1,555,958
Write-down of exploration and evaluation assets	$456,000	$78,738

Please refer to Note 7 *Exploration and Evaluation Assets* in the consolidated financial statements for the year ended July 31, 2018 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

Disclosure of Outstanding Share Data

Common Shares

The Company has authorized an unlimited number of common shares without par value.

As at July 31, 2018 and November 21, 2018, the Company had 78,646,890 common shares issued and outstanding.

Stock options

As at July 31, 2018, the Company had Company had 2,329,775 share purchase options outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
329,775	$0.67	September 3, 2018
2,000,000	$0.20	November 9, 2018
2,329,775		

Subsequent to July 31, 2018, the above 2,329,775 options expired unexercised. As of November 21, 2018, there are no options outstanding.

Warrants

As at July 31, 2018 and November 21, 2018, the Company had 17,171,848 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
3,711,645	$0.15	August 24, 2019
1,081,620	$0.17	August 24, 2019
5,690,250	$0.33	December 18, 2019
2,000,000	$0.30	December 22, 2019
183,333	$0.21	August 11, 2020
4,505,000	$0.05	June 13, 2021
17,171,848		

Risks and Uncertainties

Because of the unique difficulties and uncertainties inherent in mineral exploration ventures, the Company face a high risk of business failure.

Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration program that the Company intend to undertake on its properties and any additional properties that the Company may acquire. These potential problems include unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of the properties may not result in the discovery of any mineral deposits. Any expenditure that the Company may make in the exploration of any other mineral property that the Company may acquire may not result in the discovery of any commercially exploitable mineral deposits. Problems such as unusual or unexpected geological formations and other conditions are involved in all mineral exploration and often result in unsuccessful and/or expensive exploration efforts. If the results of the exploration do not reveal viable commercial mineralization, the Company may decide to abandon or sell some or all of the property interests.

Because of the speculative nature of the exploration of mineral properties, there is no assurance that the exploration activities will result in the discovery of any quantities of mineral deposits on the current properties or any other additional properties the Company may acquire.

The Company intend to continue exploration on the current properties and the Company may or may not acquire additional interests in other mineral properties. The search for mineral deposits as a business is extremely risky. The Company can provide investors with no assurance that exploration on the current properties, or any other property that the Company may acquire, will establish that any commercially exploitable quantities of mineral deposits exist. Additional potential problems may prevent the Company from discovering any mineral deposits. These potential problems include unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. If the Company is unable to establish the presence of mineral deposits on the properties, the Company's ability to fund future exploration activities will be impeded, the Company will not be able to operate profitably and investors may lose all of their investment in the Company.

Because of the inherent dangers involved in mineral exploration and exploitation, there is a risk that the Company may incur liability or damages as the Company conducts business.

The search for mineral deposits involves numerous hazards. As a result, the Company may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which the Company cannot insure or against which the Company may elect not to insure. At the present time the Company have no coverage to insure against these hazards. The payment of such liabilities may have a material adverse effect on the Company's financial position.

The potential profitability of mineral ventures depends in part upon factors beyond the control of the Company and even if the Company discover and exploit mineral deposits, the Company may never become commercially viable and the Company may be forced to cease operations.

The commercial feasibility of an exploration program on a mineral property is dependent upon many factors beyond the Company's control, including the existence and size of mineral deposits in the properties the Company explore, the proximity and capacity of processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental regulation. These factors cannot be accurately predicted and any one or a combination of these factors may result in the Company not receiving any return on invested capital. These factors may have material and negative effects on financial performance and the Company's ability to continue operations.

Exploration and exploitation activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated causing an adverse effect on the Company.

Exploration and exploitation activities are subject to foreign, federal, provincial, and local laws, regulations and policies, including laws regulating the removal of natural resources from the ground and the discharge of materials into the environment. Exploration and exploitation activities are also subject to foreign, federal, provincial, and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Properties may also be subject to complex Aboriginal claims.

Environmental and other legal standards imposed by foreign, federal, provincial, or local authorities may be changed and any such changes may prevent the Company from conducting planned activities or may increase costs of doing so, which would have material adverse effects on the Company's business. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company, especially, foreign laws and regulations. Additionally, the Company may be subject to liability for pollution or other environmental damages that the Company may not be able to or elect not to insure against due to prohibitive premium costs and other reasons. Any laws, regulations or policies of any government body or regulatory agency may be changed, applied or interpreted in a manner which will alter and negatively affect the Company's ability to carry on business.

Because the Company's property interests may not contain any mineral deposits and because the Company have never made a profit from operations, the Company's securities are highly speculative and investors may lose all of their investment in the Company.

The Company's securities must be considered highly speculative, generally because of the nature of its business and the stage of exploration. The Company currently has exploration stage property interests which may not contain mineral deposits. The Company may or may not acquire additional interests in other mineral properties but the Company does not have plans to acquire rights in any specific mineral properties as of the date of this Management's Discussion and Analysis. Accordingly, the Company have not generated any revenues nor have the Company realized a profit from operations to date and there is little likelihood that the Company will generate any revenues or realize any profits in the short term. Any profitability in the future from the Company's business will be dependent upon locating and exploiting mineral deposits on current properties or mineral deposits on any additional properties that the Company may acquire and subsequent development. The likelihood that any mineral properties that the Company may acquire or have an interest in will contain commercially exploitable mineral deposits is extremely remote. The Company may never discover mineral deposits in respect to current properties or any other area, or the Company may do so and still not be commercially successful if the Company is unable to exploit those mineral deposits profitably. The Company may not be able to operate profitably and may have to cease operations, the price of the Company's securities may decline and investors may lose all of their investment in the Company.

As the Company face intense competition in the mineral exploration and exploitation industry, the Company will have to compete with competitors for financing and for qualified managerial and technical employees.

Competition includes large established mining companies with substantial capabilities and with greater financial and technical resources than the Company have. As a result of this competition, the Company may have to compete for financing and be unable to conduct any financing on terms the Company consider acceptable. The Company may also have to compete with the other mining companies for the recruitment and retention of qualified managerial and technical employees. If the Company is unable to successfully compete for financing or for qualified employees, the exploration programs may be slowed down or suspended, which may cause operations to cease as a company.

The Company have a history of losses and have a deficit, which raises substantial doubt about its ability to continue as a going concern.

The Company has not generated any revenues during the years ended July 31, 2018 and 2017. The Company will continue to incur operating expenses without revenues if and until the Company engages in commercial operations. Accumulated loss as of July 31, 2018 was $15,875,374 since inception. The Company had cash and cash equivalents in the amount of $2,807,027 as at July 31, 2018. The Company estimates the average monthly operating expenses to be approximately $70,000 each month. This estimate depends on whether the Company is active or inactive with the work programs. The Company cannot provide assurances that the Company will be able to successfully explore and develop its property interests. These circumstances raise substantial doubt about its ability to continue as a going concern, which was also described in an explanatory paragraph to the independent auditors' report on the Company's audited financial statements, July 31, 2018. If the Company is unable to continue as a going concern, investors will likely lose all of their investments in the Company.

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its exploration activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate any positive cash flow in the future. The Company will require additional financing in order to proceed with the exploration and, if warranted, development of its properties. The Company will also require additional financing for fees the Company must pay to maintain its status in relation to the rights to the properties and to pay the fees and expenses necessary to operate as a public company. The Company will also need more funds if the costs of the exploration of its mineral claims are greater than the Company has anticipated. The Company will require additional financing to sustain its business operations if the Company is not successful in earning revenues. The Company will also need further financing if the Company decides to obtain additional mineral properties. The Company currently does not have any arrangements for further financing as the Company believes that it is sufficiently funded for the current operations but in future the Company expects to raise additional capital as the needs arise. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the Company's directors and officers will exercise their fiduciary duties and duty of care but nonetheless may not be able to devote sufficient time to the Company's business affairs, which may negatively affect the Company's ability to conduct ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of the Company's officers' other business interests.

RISKS RELATING TO THE COMPANY'S COMMON STOCK

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of operations have been and will be financed through the continued sale of equity securities, a decline in the price of the common stock could be especially detrimental to liquidity and operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on business plans and operations, including the ability to continue current operations. If the Company's stock price declines, the Company can offer no assurance that it will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue normal operations or become insolvent.

The market price for the Company's common stock may also be affected by its ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of its common stock and its operations as a result.

Additional Information

The Company files annual and interim reports, information circulars and other information with certain Canadian securities regulatory authorities. The documents filed with the Canadian securities regulatory authorities are available at http://www.sedar.com.