1119555 B.C. LTD.

(PREVIOUSLY MICRON WASTE TECHNOLOGIES INC.)

Management's Discussion and Analysis of Financial Position and Results of Operations

For the nine months ended September 30, 2017

November 28, 2017

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Micron Waste Technologies Inc. (the "Company" or "Micron"), and should be read in conjunction with the Company's unaudited financial statements and the accompanying notes for the nine months ended September 30, 2017, and the audited financial statements and the accompanying notes for the year ended December 31, 2016.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

DESCRIPTION OF THE COMPANY'S BUSINESS

The Company was incorporated as Effluent Water Technologies Inc. under the Business Corporations Act of British Columbia, Canada on July 20, 2015. On November 15, 2016, the Company changed its name to Micron Waste Technologies Inc. The head office, principal address and records office of the Company are located at Suite 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

The principal business of the Company is to offer and deliver integrated, cost effective and environmentally sound organic waste management systems to businesses that produce organic waste in Canada. The Company has developed a patent-pending technology that transforms organic waste into clean water that meets municipal effluent discharge standards.

The Company's future capital requirements will depend on many factors, including the costs of developing its systems, operating costs, the current capital market environment and global market conditions. As at September 30, 2017, the Company has a working capital of $2,283,488 (December 31, 2016 – working capital deficit of $356,696) and a cumulative deficit of $934,807 (December 31, 2016 - $331,792). For significant operating expenditures and development, the Company will almost exclusively depend on outside capital until it generates revenues. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the further success of the business could be adversely affected.

REVERSE TAKE OVER TRANSACTION

Amalgamation

On June 2, 2017, the Company entered into an Amalgamation Agreement (the "Agreement") with Finore Mining Inc. ("Finore"), a company, which was incorporated on November 29, 2006 under the Business Corporations Act of British Columbia. Finore was listed for trading on the Canadian National Stock Exchange on February 4, 2008 under the trading symbol "OTB". On September 26, 2011, Finore changed its name to "Finore Mining Inc." and the Finore Shares commenced trading on the Canadian Stock Exchange (the "CSE") on September 26, 2011 under the trading symbol "FIN". The head office of Finore is located at Suite 915-700 West Pender Street, Vancouver, British Columbia V6C 1G8 and its registered office address is 915-700 West Pender Street, Vancouver, British Columbia V6C 1G8.

On October 19, 2017 the Company completed the Amalgamation transaction (the "Transaction'). The Agreement was structured as a three-cornered amalgamation whereby the Company amalgamated with a newly incorporated British Columbia subsidiary of Finore, and all the issued and outstanding shares of the Company (the "Micron Shares") were exchanged for common shares of Finore (the "Finore shares") with the Company becoming a subsidiary of Finore. Upon completion of the Transaction all of the security holders of the Company become security holders of Finore. Prior to closing of the Transaction, Finore changed its name to Micron Waste Technologies Inc., and completed a consolidation of the Finore Shares on the basis of one post-consolidated Finore Shares for every two pre-consolidation Finore Shares. Pursuant to the Transaction, the shareholders of the Company received one post-consolidated Finore Share for each Micron Share.

Upon completion of the Transaction, all of the outstanding share purchase warrants of the Company ceased to represent a right to acquire Micron Shares and instead provide the right to acquire post-consolidated in the amalgamated entity, all in accordance with the adjustment provisions provided in the certificates representing the warrants.

On October 19, 2017, the Company completed the Transaction with Finore and its post-consolidation common shares started trading on the CSE under the new ticker symbol "MWM" on October 26, 2017.

After completion of the proposed transaction, on October 19, 2017, the Company has changed its name to 1119555 B.C. Ltd., which is now a subsidiary of "Micron Waste Technologies Inc.".

Lease commitment

On September 19, 2017, the Company entered into a five-year lease agreement for premises in Delta, British Columbia, effective January 1, 2018. The minimum base rent is $58,146 per annum for the first three years and $60,789 for the last two years.

OVERALL PERFORMANCE

DEVELOPMENT ASSETS

The organic waste management system developed by the Company is processed by the Company's patent-pending technology, which manages food waste on-site, and converts it into clean water. The clean water generated in this process can be recycled or reused. Unlike other food waste systems in the market, the Company's waste digester is a closed loop system where effluent released from the food digester is processed by the patent-pending technology, and recycled back into the system. The effluent parameters such as Biological Oxygen Demand ("BOD"), Chemical Oxygen Demand ("COD"), Total Suspended Solids ("TSS"), Fats Oils and Grease ("FOG"), color, odor are reduced below the acceptable limits of North American municipal standards.

Microbial technology plays a very critical role in the food waste digestion process. Micron has developed microencapsulation and immobilization techniques to protect its unique hard-working microorganisms from the harsh environment inside the food digester.

It is important to note that one type of microorganism cannot digest all types of food wastes. For efficient food waste degradation within a given time of 24 hours, it needs diverse range of microorganisms and enzymes blend with very short lag-phase. Using right combination of microorganisms and enzymes, not only the food waste digestion gets faster, but the quality of effluent is also greatly improved in terms of suspended solids, BOD, FOG, COD and bad odor.

The Company's in-house research and development team is working closely with its pilot customers in continuously developing its unique blends of microorganisms and enzymes for different types of food wastes such as mixed produce, meats, citrus peels, bakery dough, tobacco leaves, coffee grinds, high fat content, mixed grocery at supermarkets, and other potential customers.

During the year ended December 31, 2016, the Company incurred the total costs of $63,743 for the development assets.

During the nine months ended September 30, 2017, the Company incurred the total costs of $19,993 for the development assets.

On May 1, 2017, the Company issued 4,000,000 units at a price of $0.10 per unit to acquire the patent pending technology, developed by a director of the Company for a total fair value of $400,000.

On November 20, 2017, the Company announced that it signed a Memorandum of Understanding ("MoU") with T&T Supermarkets Inc. ("T&T"), whereby both parties will work together to explore additional installations of the Micron Organic Waste Digester™ at T&T Supermarkets.

RESULTS OF OPERATIONS

The Company had comprehensive loss of $603,015 for the nine months ended September 30, 2017 (2016 – $25,042). The Company's operating expenses included the following:

- Amortization of $742 (2016 - $1,118)
- Business development of $15,036 (2016 - $Nil)
- Consulting fees of $405,572 (2016 - $Nil)
- Office and miscellaneous of $13,731 (2016 - $1,690)
- Professional fees of $83,492 (2016 - $1,029)
- Repairs and maintenance of $26,980 (2016 - $11,915)
- Rent of $22,500 (2016 - $Nil)
- Shipping, freight and delivery of $4,529 (2016 - $5,708)
- Subcontract expenses of $Nil (2016 - $1,000)
- Supplies of $27,526 (2016 - $2,582)
- Transfer agent and filing fees of $2,907 (2016 - $Nil)

Business development expenses of $15,036 (2016 - $Nil) increased compared to the same period in the previous year due to fees paid for developing the Company's brand, maintaining the current projects and promoting the Company.

Consulting fees of $405,572 (2016 - $Nil) relate to fees paid to consultants of the Company for consultation on the Company's current and prospective projects. These general consulting expenses cannot be directly attributed to any particular project and have therefore been expensed as general consulting. The increase from the same period last year is attributed to an increase in corporate development and operational activities of the Company.

Office and miscellaneous expenses of $13,731 (2016 - $1,690) relate to expenses paid for administration and support. The increase from the same period last year is primarily due to overall increase in operational activities of the Company and increased costs related to facilitating the Transaction.

Professional fees of $83,492 (2016 - $1,029) consist of expenses relating to the Company's financial recording and reporting activities, and legal expenses in connection with legal advice and guidance for the operations of the Company and its compliance. The significant increase in professional fees compared to the same period in the previous year is primarily due to increase in accounting and legal fees associated with the Transaction and share capital related activities.

Repairs and maintenance expenses of $26,980 (2016 - $11,915) increased compared to the same period in the previous year due to increase in service fees and supplies paid for maintaining the Company's development assets.

Rent expenses of $22,500 (2016 - $Nil) are expenses paid for the Company's occupancy. The rental fees were increased from the same period in the previous year, as the Company requires a larger occupancy space for expanding its business.

Shipping, freight and delivery expenses of $4,529 (2016 - $5,708) relate to brokerage and shipping charges paid for delivering parts ordered for building the development assets.

Supplies of $27,526 (2016 - $2,582) increased compared to the same period in the previous year due to increase in small tools and supplies purchased for building the development assets.

Transfer agent and filing fees of $2,907 (2016 - $Nil) increased compared to the same period in the previous year due to expenditures in connection with the Transaction, compliance activities and reporting of the Company.

The overall increase in expenses from the same period last year is attributed to an increase in the general operational, management, and compliance activities of the Company.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's operating results from the last eight quarters are summarized as follows:

	Three months ended September 30, 2017	*Three months ended June 30, 2017*	*Three months ended March 31, 2017*	*Three months ended December 31, 2016*
Revenue	$Nil	$Nil	$Nil	$Nil
Net loss	$ 226,399	$ 249,328	$ 127,288	$ 247,859
Loss per share	$ 0.008	$ 0.009	$ 0.064	$ 0.124
	Three months ended September 30, 2016	*Three months ended June 30, 2016*	*Three months ended March 31, 2016*	*Three months ended December 31, 2015*
Revenue	$Nil	$Nil	$Nil	$Nil
Net loss	$ 9,173	$ 4,785	$ 11,084	$ 58,891
Loss per share	$ 0.005	$ 0.002	$ 0.006	$ 0.029

The decreased net loss in the quarter ended March 31, 2016 compared with the quarter ended December 31, 2015 was primarily due to the consulting fees of $50,000, business development of $4,722, and office and miscellaneous of $3,468 incurred in the quarter ended December 31, 2015. The overall expenses incurred in the quarter ended September 30, 2016, June 30, 2016 and March 31, 2016 were comparable, and the Company only incurred necessary compliance and operational expenses to conserve cash.

The increased net loss in the quarter ended December 31, 2016 compared with the quarter ended September 31, 2016 was primarily due to the professional fees of $13,000, consulting fees of $216,667 and business development of $5,577 incurred in the quarter ended December 31, 2016. The significant increase in consulting fees is attributed to an increase in corporate development and operational activities of the Company. The increase in professional fees is due to increase in accounting fees for its yearend audit necessary to for the Transaction.

The decreased net loss in the quarter ended March 31, 2017 compared with the quarter ended December 31, 2016 was primarily due to reduction of consulting fees of $92,500, business development of $171 and shipping, freight and delivery of $Nil incurred in the quarter ended March 31, 2017. Other expense, such as professional fees, increased in the quarter ended March 31, 2017 due to accounting fees of $6,025 and legal fees of $9,075 incurred for the Transaction and share capital related activities.

The increased net loss in the quarter ended June 30, 2017 compared with the quarter ended March 31, 2017 was primary due to the professional fees of $45,946 and consulting fees of $175,572 incurred in the quarter ended June 30, 2017. The significant increase in consulting fees is attributed to an increase in corporate development and operational activities of the Company. The increase in professional fees is due to fees associated with the Transaction and share capital related activities.

The decreased net loss in the quarter ended September 30, 2017 compared with the quarter ended June 30, 2017 was primary due to reduction of consulting fees of $137,500 and professional fees of $22,445 incurred in the quarter ended September 30, 2017. As the Company substantially completed the transaction and share capital related activities, the associated costs in consulting and professional fees decreased in the quarter ended September 30, 2017.

REVIEW OF FINANCIAL RESULTS

The following table provides a summary of the Company's financial operations for the nine months ended September 30, 2017, the year ended December 31, 2016, and the period ended December 31, 2015.

	Nine months ended September 30, 2017	*Year ended December 31, 2016*	*Period ended December 31, 2015*
Total assets	$ 2,868,311	$ 170,286	$ 94,759
Property and equipment	3,542	4,284	5,347
Development assets	140,613	120,620	56,877
Working capital (deficiency)	2,283,488	(356,696)	(21,115)
Shareholders' equity	2,827,643	(231,792)	41,109
Revenues	Nil	Nil	Nil
Total comprehensive income (loss)	(603,015)	(272,901)	(58,891)
Earnings (loss) per share	(0.04)	(0.14)	(0.03)

The financial results reflect the Company's levels of activity from the inception date of July 20, 2015 to September 30, 2017. Since the period ended December 31, 2015, the assets have increased by $2,773,552, development assets have increased by $83,736, and shareholders' equity has increased by $2,786,534.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2017, the Company had net working capital of $2,283,488 (December 31, 2016 – net working capital deficiency of $356,696) and cash of $1,959,022 (December 31, 2016 - $33,095). The Company anticipates significant increase in the following expenditures in the next quarters: research and development, business development and marketing, investor relations, and facility. The Company has sufficient cash resources and working capital to meet its current obligations for at least twelve months from the end of the reporting year. However, in order to carry out the anticipated expenditures, it may require raising additional funds to continue operations.

On October 19, 2017, the Company completed the Transaction. Prior to closing the Transaction, Finore consolidated its common shares on the basis of 1 post-consolidation common share for 2 pre-consolidation common shares. Pursuant to the terms of the Transaction, Finore issued to the Company's shareholder, pro rata, an aggregate of 28,877,000 common shares of the amalgamated entity at a deemed price of $0.25 per share.

After Amalgamation:

On October 25, 2017, the Company granted 3,825,000 stock options to its directors, officers, employees and contractors. The options were assigned an exercise price of $0.30 per share and are exercisable for a period of five years, subject to regulatory approval.

Before Amalgamation:

As of the date of this report, there were 28,877,000 common shares and 27,044,200 warrants outstanding.

Shares:

Transactions during the nine months ended September 30, 2017:

On April 13, 2017, the Company issued 3,250,000 units at a price of $0.05 per unit for net proceeds of $162,500. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of five years at a price of $0.25. These warrants were allocated a fair value of $nil using the residual value method.

On the same date, the Company issued 8,000,000 units at $0.05 per unit to settle due to related party amounts of $300,000 and accrued liabilities of $100,000. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of five years at a price of $0.25. These warrants were allocated a fair value of $nil.

On May 1, 2017, the Company issued 4,000,000 units at a price of $0.10 per unit to acquire the patent, developed by a director of the Company for a total fair value of $400,000. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of five years at a price of $0.25. These warrants were allocated a fair value of $nil.

On May 1, 2017, the Company issued 1,100,000 units at a price of $0.10 per unit for proceeds of $110,000. The units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.25 for a period of two years from the issuance date. These warrants were allocated a fair value of $nil using the residual value method.

On June 1, 2017, the Company closed a private placement for 10,527,000 units of the Company at a price of $0.25 per unit for net proceeds of $2,589,950. The units are comprised of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company for a period of two years at an exercise price of $0.50. These warrants were allocated a fair value of $nil using the residual value method. In connection with the private placement, finders' fees of $41,800 and 167,200 warrants with a fair value of $17,222 were issued to a third party.

As at September 30, 2017, there were 28,877,000 (December 31, 2016 – 2,000,000) common shares issued and outstanding.

Transactions during the year ended December 31, 2016:

There were no common share issuances or warrants granted during the year ended December 31, 2016.

Warrants:

Share purchase warrants outstanding as at September 30, 2017 and December 31, 2016 are as follows:

	Warrants outstanding	Weighted average exercise price -$-	Weighted average number of year to expiry
Balance at December 31, 2016 and 2015	-		
Granted	27,044,200		
Balance at September 30, 2017	27,044,200	0.35	3.29

The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2017
Expected life in years	2.00
Volatility	110.00%
Risk free rate	0.70%
Dividend yield	0.00%

Details of warrants outstanding as at September 30, 2017 are as follows:

Outstanding and Exercisable	**Exercise price -$-**	**Expiry Date**
3,250,000	0.25	April 13, 2022
8,000,000	0.25	April 13, 2022
4,000,000	0.25	May 1, 2022
1,100,000	0.25	May 1, 2019
10,694,200	0.50	June 1, 2019
27,044,200	0.35	

Cash Flow Activities:

Nine months ended September 30, 2017

Cash balances increased by $1,925,927 during the nine months ended September 30, 2017 and increased by $10,030 during the nine months ended September 30, 2016.

During the nine months ended September 30, 2017, cash used in operating activities was $916,530 compared to cash used in operating activities of $34,202 during the nine months ended September 30, 2016. The increased in cash used in operating activities is primarily attributed to the overall increase in the Company's expenditures in 2017.

Cash used in investing activities during the nine months ended September 30, 2017 was $19,993 compared with cash used in investing activities of $25,768 during the nine months ended September 30, 2016. The cash used in investing activities in both periods is primarily attributed to expenditures for development assets.

Cash provided by financing activities during the nine months ended September 30, 2017 was $2,862,450, compared with cash provided by financing activities of $70,000 during the nine months ended September 30, 2016. The cash provided by financing activities in 2017 was primarily attributed to the funds received from net proceeds from issuance of common shares.

Year ended December 31, 2016

Cash balances increased by $3,254 during the year ended December 31, 2016 and increased by $29,841 during the period ended December 31, 2015.

During the year ended December 31, 2016, cash used in operating activities was $210,575 compared to cash used in operating activities of $7,234 during the period ended December 31, 2015. The increased in cash used in operating activities is primarily attributed to the higher expenditures on professional fees, consulting fees, repair and maintenance, supplies and shipping, freight and delivery.

Cash used in investing activities during the year ended December 31, 2016 was $64,171 compared with cash used in investing activities of $62,925 during the period ended December 31, 2015. The cash used in investing activities in both periods is primarily attributed to expenditures for development assets.

Cash provided by financing activities during the year ended December 31, 2016 was $278,000, compared with cash provided by financing activities of $100,000 during the period ended December 31, 2015. The cash provided by financing activities in 2015 was a result of the funds received from issuance of common shares, and the cash provided by financing activities in 2016 was a result of the funds received from related parties of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at September 30, 2017 or as of the date of this report.

TRANSACTIONS WITH RELATED PARTIES

The amounts due to related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest-bearing and have no specific terms for repayment. These transactions are in the normal course of operations and recorded in these financial statements at the fair value of services performed.

As at September 30, 2017, $5,568 (December 31, 2016 - $278,000) was due to directors and officers of the Company.

	September 30, 2017 **- $ -**	December 31, 2016 **- $ -**
Amount due to companies with directors in common	-	275,000
Amount due to a company controlled by the CFO	5,568	3,000
	5,568	278,000

During the nine months ended September 30, 2017, the Company resolved to settle $300,000 related party payables through the issuance of 6,000,000 units of the Company at $0.05 per unit. Each unit comprised of one common share and one warrant to purchase common shares of the Company at $0.25 for five years.

During the nine months ended September 30, 2017 and 2016, the Company entered into the following transactions with related parties:

	September 30, 2017 **- $ -**	September 30, 2016 **- $ -**
Consulting fees	347,810	-
Accounting fees	18,968	-
Rent	22,500	-
	389,278	-

The above rent was charged by a company controlled by the Chairman and director of Company. Accounting fees were charged by a company controlled by the CFO of the Company.

Key Management Compensation:

Key management includes officers and directors of the Company. The compensation paid or payable to key management is as follows:

Consulting fees were charged by the following companies:

	September 30, 2017 **- $ -**	September 30, 2016 **- $ -**
Company related to the Chairman and Director	233,810	-
Company related to CTO and Director	90,000	-
Company related to Cam Battley, Director	13,500	-
Company controlled by CFO	10,500	-
	347,810	-

CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 2 of the Notes to the audited financial statements for the year ended December 31, 2016.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company has no history of business operations, revenue generation or production history. The Company was incorporated on July 20, 2015 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and development costs are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for the facilities and conduct of operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in operations may be required to compensate those suffering losses or damage, and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or development costs or require abandonment or delays in the development of new projects.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Competition

There is competition within the waste management industry. The Company will compete with other companies, many of which have greater financial, technical and other resources than the Company, as well as for the recruitment and retention of qualified employees and other personnel.

Intellectual Property

The Company has developed a patent-pending technology ("Intellectual Property") that transforms organic waste into clean water that meets municipal effluent discharge standards. The Company may be unable to prevent competitors from independently developing or selling products similar to or duplicate of the Company, and there can be no assurance that the resources invested by the Company to protect the Intellectual Property will be sufficient. The Company may be unable to secure or retain ownership or rights. In addition, the Company may be the target of aggressive and opportunistic enforcement of patents by third parties, including non-practicing entities. Regardless of the merit of such claims, responding to infringement claims can be expensive and time-consuming. If the Company is found to infringe any third-party rights, it could be required to pay substantial damages or it could be enjoined from offering some of products and services. Also, there can be no assurances that the Company will be able to obtain or renew from third parties the licenses it needs in the future, and there is no assurance that such licenses can be obtained on reasonable terms.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

FORWARD-LOOKING STATEMENTS

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and represent management's best judgment based on facts and assumptions that management considers reasonable, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, or adverse weather conditions, and that there are no material unanticipated variations in the cost of energies or supplies. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions.

This MD&A may include certain “forward-looking statements” within the meaning of applicable Canadian securities legislation. All statements other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive, strengths, goals, expansion and growth of the Company’s businesses, operations, plans and other such matters are forward looking statements. When used in this MD&A, the words “estimate”, “plan”, "anticipate", “expect”, “intend”, "believe" and similar expressions are intended to identify forward-looking statements.

These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks related to the unavailability of capital and financing on acceptable terms, unfavorable market conditions, inherent risks involved in business operations and activities, inability to obtain required regulatory approvals, unanticipated difficulties or costs in any rehabilitation which may be necessary, market conditions and general business, economic, competitive, political and social conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Additional factors are discussed in the section titled “Risks”.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable securities laws, the Company does not intend, and does not assume any obligation, to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements.

FINANCIAL AND OTHER INSTRUMENTS

Fair value of financial instruments

The Company records certain financial instruments measured at fair value by level within the fair value hierarchy described in the annual audited financial statements. Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement.

Financial instrument risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit concentration risk by holding cash. This risk is minimized by holding its cash in large Canadian financial institutions.

b) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Any interest earned on cash is at nominal interest rates, and therefore the Company does not consider interest rate risk to be significant.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due.

As at September 30, 2017, the Company had cash of $1,959,022 (December 31, 2016 - $33,095) and working capital of $2,283,488 (December 31, 2016 - working capital deficit of $356,696). The payment terms for accounts payable and accrued liabilities from vendors are generally 30 days or due on receipt and the Company is able to settle accounts payable and accrued liabilities of $35,100 and due to related parties of $5,568, which fall due for payment within twelve months of the condensed interim statement of financial position date.

d) Currency risk

Currency risk is the risk to the Company's expenses that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. At September 30, 2017 and December 31, 2016, the Company’s cash and accounts payables are held in Canadian dollars, and accordingly, the Company is not exposed to foreign currency risk.

e) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

OTHER MATTERS

Legal proceedings

The Company is not aware of any legal proceedings.

Contingent liabilities

At the date of report, management was unaware of any outstanding contingent liability relating to the Company's activities.

DIRECTORS

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current Directors of the Company are as follows:

Kulwant Malhi, Chairman
Rav Mlait, President and CEO
Bharat Bhushan, CTO
Cameron Battley
Hyder Khoja

APPROVAL

The board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,

"Kulwant Malhi"

Chairman and Director

November 28, 2017