Josephine Mining Corp

Management's Discussion and Analysis

For the year ended December 31, 2017

(Financial information expressed in Canadian dollars unless otherwise noted)

Introduction

This management's discussion and analysis ("**MD&A**") is dated April 9, 2019, and is in respect of the annual reporting period ended December 31, 2017. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars and narrative references to financial values are rounded. References to "US$" mean United States dollars.

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with its consolidated financial statements and related notes for the annual period ended December 31, 2017. This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward looking information".

Forward looking information

Certain statements in this MD&A are forward-looking statements or information (collectively "**forward-looking statements**"). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward- looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Company.

Furthermore, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no 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. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Historical information

Josephine Mining Corp. (the "**Company**") was incorporated under the laws of British Columbia and, together with its former wholly owned subsidiary, was engaged in the exploration and development of the

Turner Gold Property in southern Oregon. Following the final payment to General Moly, Inc. ("**GMI**"), the Company's associate, Gold Coast Mining, Inc. ("**GCM**"), received title to the Turner property and all relevant mining rights.

The Turner Gold project comprises three patented mining claims and an additional 265 acres of contiguous private land. In addition, GCM purchased 40 acres of private land to the west of the property and has an option to purchase an additional 333 acres to the east of the property. GCM also controls 25 mineral lode claims. The Turner Gold deposit was initially discovered in the early 1900s.

In March 2008, the Company completed an initial public offering of 3,000,000 common shares. The Company's shares began trading on the TSX Venture Exchange (the "**Exchange**") on March 24, 2008 under the trading symbol "GRP.P". Prior to March 24, 2011, the Company was classified as a Capital Pool Company ("**CPC**") within the meaning ascribed by the Exchange.

In March 2010, the Company entered into a letter agreement to purchase all of the issued and outstanding securities of 0854742 B.C. Ltd. ("**0854742**"). The acquisition of 0854742, then known as Josephine Mining Corp., constituted the Company's Qualifying Transaction under the policies of the Exchange. 0854742 was at arm's length to the Company at the time of the Qualifying Transaction.

On March 24, 2011, the Company completed its Qualifying Transaction when its wholly-owned subsidiary, 0890810 B.C. Ltd., amalgamated with 0854742. After the Qualifying Transaction, the Company's sole activities related to the acquisition and exploration of the Turner Gold Property ("**Turner**" or the "**Project**"), including ancillary properties. In connection with the Qualifying Transaction, the Company changed its name to Josephine Mining Corp., ceased to be a CPC and commenced trading as a Tier 2 mining issuer on the Exchange on March 29, 2011. On commencement of trading, the Company's trading symbol changing from "GRP.H" to "JMC".

December 31, 2013, management finalized the reduction of 79% of the Company's interest in Turner by way of the sale of 51% of the common shares of the Company's previously wholly owned subsidiary, GCM, and a settlement of debt for 28% of the common shares in GCM. The sale of GCM shares was made to companies owned and operated by individuals who were officers and shareholders of the Company. A loss of $2,487,162 was reported because of the loss of control of GCM. The Company's interest in GCM was reported as an investment in associate at December 31, 2013, at a value of $1,882,327. GMI retains a production royalty of 1.5% of net smelter return on future production from the Project.

The Company received total consideration of US$1,605,421 under the terms of the above transaction. Consideration from this transaction was used to cause GCM to own an undivided interest in Turner, such that the Company's interest in its sole mining project became held through a 21% interest in GCM, which has an undivided interest in Turner.

In April 2014, the Company received approximately $60,000 from its then President, who is also an officer and director of entities related to the Company, in order to meet the Company's regulatory requirements.

On May 11, 2015 the Company has halted from trading on the Exchange as a result of the issuance of cease trade orders being issued by the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission (the "**CTOs**"). The CTOs were imposed due to the failure of the Company to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended December 31, 2014. At present, the foregoing cease trade orders remain in full force and effect. Subsequent to the issue of the CTOs, on August 21, 2015 the Company was transferred to the NEX board of the Exchange, and ultimately delisted on March 23, 2016. The Company is presently preparing documentation to have the cease trade orders revoked

During the period subsequent to December 31, 2014, the Company was inactive. Since the date of the CTOs, the Company has conserved its cash resources as much as possible and has only expended sufficient monies to maintain its corporate status. Management explored a number of different methods for advancing the status of its properties but was unable to secure financing or identify prospective partners for the continued exploration of the Project.

On January 29, 2019, the sole director and officer of the Corporation resigned following the appointment of a new board of three directors and new management to see the Company through the next stage of its development. Richard Buzbuzian, one of the director appointees, was also appointed CFO, CEO and President. Mr. Buzbuzian is a principal of Buzbuzian Capital Corp., a company which is providing the funding necessary to see the Company through the CTO revocation process.

Strategy and Outlook

Management intends to support its US based associate, GCM, in the development and stewardship of GCM's undivided interest in Turner, to the extent that such support does not hamper its future business opportunities.

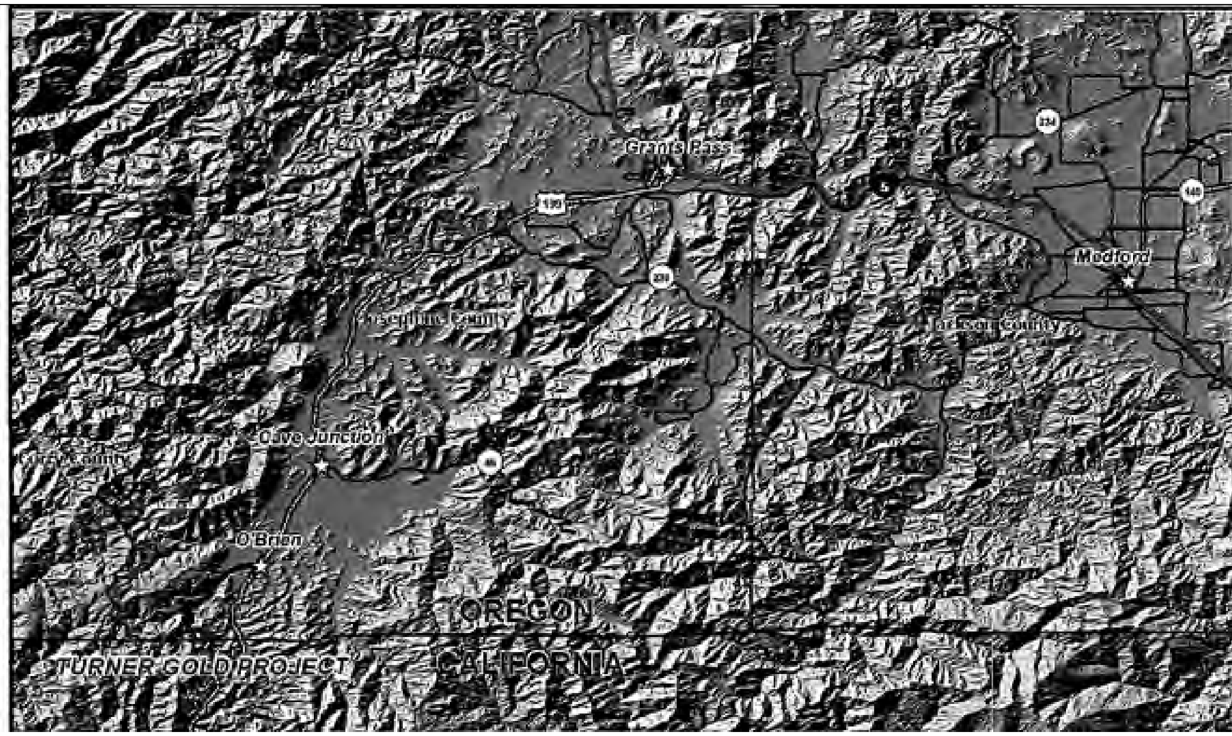
Due to an ongoing lack of funds available in public debt and equity markets, management intends to support GCM by way of related party funding, so long as following a rigorous review of the Company's current status following the revocation of the CTOs, the status of the Project and the revocation of the CTO's, management believes such support will provide long term shareholder value. However, there can be no reliance on additional related party funding, as there have been no commitments or guarantees made with respect to further financing. In addition, upon revocation of the CTO's the Company intends to pursue business opportunities outside of the mineral resource space, including those relating to cannabis and technology, and if any such acquisitions or business combinations come to fruition, the Company may seek to divest itself of any interests in the Project which are not inline with future business plans or which do not maximize shareholder value. As a result, management intends to pursue other opportunities for the Company, including those outside of the mining sector, and there should be no expectation that the Company will continue as a mineral resource issuer following the revocation of the CTOs.

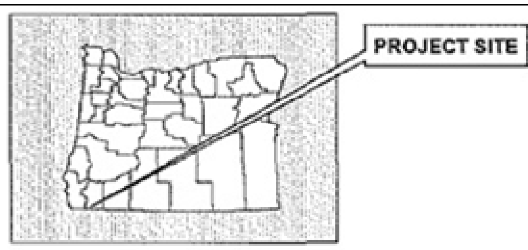
Select Annual Information

	Year ending 2017	**Year ending 2016**
Total revenue	$40,000	Nil
Net Income/(loss) for the year	($28,331)	($43,328)
Total assets	$246	$25,244
Total non-current liabilities	Nil	Nil
Dividends	Nil	Nil
Basic and diluted net loss per common share	($0.001)	($0.002)

Mining project - Turner Gold Property

The Turner Gold Property is the Company's sole property, by way of its interest in GCM, and the focus of all of its operations to date. The Turner Gold Property is located in southwestern Josephine County, Oregon, approximately 2 miles west of Highway 199 and 40 miles southwest of Grants Pass, Oregon.





JOSEPHINE MINING CORP.
TURNER GOLD PROJECT
JOSEPHINE COUNTY, OREGON

FIGURE 1
SITE LOCATION MAP

[________] JOS	[________] 11/7/12	
SCALE 1 Inch = 8 Miles		

SCALE IN MILES

The Turner Gold project is a volcanogenic massive sulfide deposit with an indicated and inferred resource of 4.7 million tons. As stated in the October 2012 press release with the updated resource, the indicated resource has increased 42.55% in tonnage and shows metal grades of 1.015% copper, 2.91g/t gold, 13.3 g/t silver and 2.46 % zinc. Encompassed in the indicated resource are a total of 296,493 contained troy ounces of gold, 70.8 million pounds copper, 1.35 million troy ounces silver and 171.8 million lbs. of zinc or alternately 6.1 g/t equivalent gold (equating to 620,891 equivalent troy ounces of gold contained). With this increase to a total of 4.71 million tons of resource above an increased NSR cutoff grade of $52/ton, JMC reported with the improved delineation of the resource with the 2011 drilling data, 1.04 million tons of the resource was moved from inferred to the indicated category. Equivalent troy oz/ton gold levels are used to illustrate the combined effect of copper, gold, silver, and zinc in the project in one metal.

Economic Parameters for Turner Gold

Parameter	**Units**	**Mill**
Copper Price per Pound	(US$)	3.00
Gold Price per Pound	(US$)	1,200.00
Silver Price per Pound	(US$)	15.00
Zinc Price per Pound	(US$)	0.75
Base Mining Cost Per Ton of Material	(US$)	27.45
Process Cost Per Ton	(US$)	14.68
General and Administrative Cost Per Ton	(US$)	2.66
Process Recovery of Copper (Average)	(%)	90.8
Process Recovery of Gold (Average)	(%)	71.9
Process Recovery of Silver (Average)	(%)	83.2
Process Recovery of Zinc (Average)	(%)	75.1
Smelting/Refining Payable for Copper	(%)	96.5
Smelting/Refining Payable for Gold	(%)	97.0
Smelting/Refining Payable for Silver	(%)	77.0
Smelting/Refining Payable for Zinc	(%)	95.0
Gross Royalty	(%)	1.5

Source: *Parameters described in the Turner Gold Resource and Preliminary Economic Assessment dated November 16, 2009 as revised May 17, 2010 available at www.sedar.com (contents were reviewed by qualified persons; John M. Marek, P.E. of Independent Mining Consultants, Brian W. Buck, P.G. of JBR Environmental Consultants, Michael D. Strickler, P.G. of LithoLogic Resources, Srikant Annavarapu, P.E. of Master Geotech Services, and James J. Moore, P.E.).*

Market Trends

Average annual prices as well as the 2017 average price through the date of this document, for copper and gold are summarized in the table below:

	Average annual market prices (US$)	
Year	Copper (lb)	Gold (oz)
2008	3.11	880
2009	2.41	981
2010	3.45	1,233
2011	4.02	1,568
2012	3.63	1,681
2013	3.30	1,394
2014	3.17	1,294
2015	2.50	1,161
2016	2.20	1,251

Average annual market prices (US$)		
Year	Copper (lb)	Gold (oz)
2017	2.81	1,257
2018	2.94	1,269

Source: *Monthly spot prices per London PM Fix- Kitco (Gold} and London Metal Exchange (Copper).*

Summary of quarterly results

	Three months ended			
	December 31, 2017	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Total operating expenses	$ 34,868	$ 10,929	$ 4,527	$ 18,009
Net loss	34,868	10,929	4,527	(21,993)
Total comprehensive loss	0	0	0	0
Net loss. per common share, basic and diluted	0.0000	0.0000	0.0000	0.0001
Total assets	246	248	250	12,391
Total operating expenses	321,128	286,127	276,164	322,849
	December 31, 2016	**September 30, 2016**	**June 30, 2016**	**March 31, 2016**
Total operating expenses	$ 42,046	$ 472	$ 38	$ 570
Net loss (income)	42,046	472	38	772
Total comprehensive loss	0	0	0	0
Net loss per common share, basic and diluted	0.0000	0.0000	0.0000	0.0002
Total assets	25,244	264	306	347
Total liabilities	317,795	250,790	250,361	250,361

Quarter 4, 2016 (December 31, 2016)

Net loss was higher for Q4 2016 because the Company accrued legal expenses associated with litigation totaling $42,674, and bank charges totaling $41 resulting in a net loss; when there was no income except a forgiveness of debt totaling $669, resulting in a Net loss of $42,046. A related party contributed $25,000 as retainer to these legal fees in the fourth quarter of 2016 (October 2016).

Quarter 1, 2017 (March 31, 2017)

As per the fourth quarter 2016, legal fees accrued for the litigation matter in the amount totaling $17,952 and bank charges totaling $57. Totaling expenses for the first quarter 2017 were $18,007.

Net profit was obtained only due to legal settlement funds received and deposited for the litigation matter in the amount of $40,000 (January 2017), resulting in a net profit of $21,993.

Results of operations

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Three months ended December 31, 2017 and 2016

Net loss and operating expenses

Operating expenses for the three months ended December 31, 2017 ("**Q4 2017**") were approximately $35,000; during the comparative period in 2017 ("**Q4 2017**"), operating expenses were approximately $42,000. Expenses were limited during the three months ended December 31, 2017 due to the Company's limited available cash. Also contributing to the decrease was a lower share-based payment expense, as no new option-based payments were granted during the three months ended December 31, 2017. Net loss was higher for Q4 2016 because the Company of accrued legal settlements and related party contributing $25,000 cash for retainer for legal services.

Mineral property

The Company's investment in mineral properties decreased from December 31, 2014, to December 31, 2017, due to the loss of control of its formerly consolidated subsidiary, GCM, as described in the "Historical Information" section of this document.

Years ended December 31, 2017 and 2016

Net loss and operating expenses

The Company's net loss decreased from $43,328 for the year ended December 31, 2016, to $28,331 for the year ended December 31, 2017. General and administrative costs decreased by approximately $10,000 and the Company received a settlement fee of $40,000 to apply to general legal and admin costs. The Company is in a limited cash position and has experienced a lack of new option grants. During 2016, the Company recorded no debt forgiveness income (2016 - $669).

Mineral Property

The company decided to impair the investment properties in 2014. There has been no activity on the mineral properties since the time of impairment. The Company's mineral properties are in good standing and all amounts due with respect to such claims have been paid and are up-to-date.

Capital resources and liquidity

At December 31, 2017, the Company had cash and cash equivalents of approximately $246, compared to approximately $25,000 on December 31, 2016. Its working capital deficit at December 31, 2017 was approximately $35,000 (December 31, 2016 – approximately $43,000).

The Company manages liquidity risk through maintaining sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. Management's ability to manage liquidity over the next 12 months is dependent on the Company's ability to raise funds.

During the year ended December 31, 2016, the Company was advanced and loaned operating cash from related parties, this and the legal settlement funds were used to maintain the Company's essential corporate functions and to complete the legal acquisition of all mining rights to Turner for GCM. As discussed elsewhere, the Company previously disposed of 79% of GCM in 2013.

Contractual obligations and rights

On June 26, 2009, the Company entered into the Turner Option Agreement with GMI for land, patented mining claims and unpatented mining claims at the Property in Josephine County, Oregon, USA for US$2,000,000, originally to be paid by December 2011.

The agreement was amended and extended through subsequent agreements. By December 31, 2013, the Company exchanged 79% of its interest in the underlying property, through shares of its formerly wholly owned subsidiary, GCM, in order to make the option payments and cause GCM to have an undivided interest in the relevant mining rights. GMI retains a production royalty of 1.5% of net smelter return on future production from the Property.

On June 30, 2009, the Company acquired an exclusive option to purchase approximately 333 acres of land in Josephine County, Oregon, for a 12-month period commencing June 18, 2011 (the "**Wagner Option**"). The Company paid US$25,000 for the Wagner Option, which applies against the purchase price of US$925,000.

The Company's associate investee, GCM, must make payments against the commitment under the amended agreement as follows in order to acquire the underlying property:

Payment	Scheduled due date	Date paid	Extension Fee US$	Scheduled credit to purchase price	Total payments remitted through US$	Balance of purchase price due at December 2017
Initial purchase price						$ 925,000
Initial payment	June 30, 2011	June 2011	$	$ 25,000	$ 25,000	900,000
1st extension	January 30, 2013	January 2013	5,000	25,000	30,000	875,000
2nd extension	December 5, 2013	December 2013		10,000	10,000	865,000
3rd extension	March 1, 2014			10,000		865,000
4th extension	June 1, 2014			10,000		865,000
5th extension	September 1, 2014			10,000		865,000
6th extension	December 1, 2014			10,000		865,000
7th extension	March 1, 2015		10,000			865,000
Purchase	September 30, 2015			825,000		865,000
Total			$ 15,000	$ 925,000	$ 65,000	$ 865,000

Transactions with related parties

A number of former key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The following entities transacted with the Company in the reporting period of the 2017 financial statements. The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities at an arm's length basis.

*Russell Mining Corporation ("**RMC**")*

RMC is a private corporation which owns 10,600,010 shares in the Company and owns 51% of the Property and mineral rights. RMC's management has or had owners, officers and directors in common with the Company and Big Rock Holdings, LLC.

*Big Rock Holdings ("**BRH**")*

BRH is a private corporation, which owns 28% of the Property and mineral rights. BRH has or had owners, officers and directors in common with the Company and RMC.

*Norton Rose Fulbright Canada, LLCP ("**NRC**")*

NRC was the Company's securities counsel during the period, and a principal of the firm was the Company's corporate secretary.

Disposition of 79% of Turner

Effective December 31, 2013, management finalized the disposition of 79% of the Company's interest in Turner by way of the sale of 79% of the common shares of the Company's previously wholly owned subsidiary, GCM. The sale of GCM shares was made to companies owned and operated by individuals who were also officers and are owners of the Company at the time. A loss of $2,487,162 was reported as a result of the loss of control of GCM. The Company's interest in GCM is reported as an investment in associate at December 31, 2013, at a value of $1,882,327.

The Company received total consideration of US$1,605,421 under the terms of this transaction. Consideration from this transaction was used to cause GCM to own an undivided interest in Turner.

Notes Payable to BRH

The Company's payable to BRH ($600,521) was settled in exchange for 28% of the Project in December 2013. The Company issued 2,220,000 warrants, valued at $99,800 as part of the consideration for the note in 2012 which were cancelled as part of the exchange

Convertible note payable to RMC

On September 26, 2012, the Company issued a note payable to RMC, a private company with officers and directors common to the Company, for US$50,000. The principal and accrued interest totaled approximately $56,000 at December 31, 2013 when it was derecognized as a liability of GCM, following the Company's loss of control of GCM.

RMC was issued 100,000 shares, fair-valued on the grant date at $12,500 as part of consideration for the note.

Finder's Agreement

On June 22, 2009, the Company entered into a Finder's Agreement with RMC for mining claims located in Josephine County, Oregon. Pursuant to this agreement, Russell Mining and Minerals, ULC ("**RMMU**") agreed to advance the Company funds and provide the technical support to complete a reserve study on the claims. The agreement also contemplates RMC and the Company entering into a management agreement for RMMU to provide technical and administrative services to the Company.

When production begins on the Property, US$1,500,000 is due to RMC in 24 equal installments.

Summary of transactions with RMC and Norton Rose:

	Amounts payable as at December 31		**Expenses incurred during the years ended**	
	2017	2016	2017	2016
RMC	160,074	149,682	$ 0	$ 0
Norton Rose	90,638	133,312	10,392	3,192
			(41,745)	42,674
Totals	$ 250,712	$ 282,994	$ (31,353)	$ 45,866

The above transactions were conducted in the normal course of operations and measured at agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

Off-balance sheet arrangements

As at December 31, 2017, the Company had no off-balance sheet arrangements.

Financial instruments and other instruments

The fair values of the Company's cash and cash equivalents, accounts payable and notes payable approximate their carrying values because of the short-term nature of these instruments.

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

Currency risk

The Company's property interests in the United States make it subject to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not use hedging instruments to mitigate the financial statement or cash flow risks associated with fluctuations in exchange rates.

Credit risk

The Company's cash is held in large Canadian financial institutions. The Company does not have any short-term investments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within twelve months of the balance sheet date. At December 31, 2017, current liabilities exceeded current assets, resulting in negative working capital of approximately $321,128 (December 31, 2016 - approximately $317,795).

Commodity price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company has not hedged any of its potential future gold sales. The Company's input costs are also affected by the price of fuel. The Company monitors gold and fuel prices to determine the appropriate course of action to be taken by the Company.

Outstanding share data

As at the date of this MD&A, the Company's outstanding equity securities are described as follows:

Security	Outstanding
Voting equity securities issued and outstanding	25,551,010 common shares
Securities convertible or exercisable into voting equity securities -stock options	Nil
Securities convertible or exercisable into voting equity securities –warrants	Nil

Risks and uncertainties

No history of earnings and CTOs

The Company has no history of earnings. Additional external financing would be required to finish a feasibility study and develop the Property, which would require further related party financing. There can be no assurances that any of the Company's properties contain an economic ore body or that such properties will ever be developed.

In addition, as the Company is subject to the CTOs, the Company is not permitted to issue securities from treasury, and current shareholders may not trade securities of the Company to others. As a result, until such time as the CTOs are revoked the Company has no ability to raise capital and shareholders have no liquidity with respect to their securities.

Title risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Until competing interests, if any, in the mineral lands have been determined, the Company can give no assurance as to the validity of title to those lands.

Exploration and development

Resource exploration and development is a highly speculative business activity, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals the Company may acquire or discover may be affected by numerous factors that are beyond its control and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to allowable production, the import and export of minerals and environmental protection, the combination of such factors may result in the Company not receiving an adequate return of investment capital.

The Property is in the development stage and as part of that stage determining if it is a commercially mineable ore body. No further work has been completed on the Property since 2014.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of its operations will in part be directly related to the costs and success of its development programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The Company is required to obtain various permits from government departments to carry out its work programs. There is no guarantee all required permits will be granted on terms satisfactory to the Company, or at all. If such permits are not received, the Company may not be able to carry out or complete its business objectives.

Uninsured or uninsurable risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have a material adverse impact on the Company's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Operating hazards and risks

Mineral exploration and development involves risks which even a combination of experience, knowledge and careful examination may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, developments and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. The nature of these risks is such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable or the Company may elect not to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Environmental risks, regulations, permits and licenses and other regulatory requirements

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's operations, including development activities and commencement of production on its properties, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws, and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that the Company obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project that it might undertake.

Failure to comply with applicable laws/regulations, and permitting requirements may result in enforcement actions thereunder, 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 mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competition

The mining industry is intensely and increasingly competitive in all its phases, and the Company will compete with other companies that have greater financial and technical resources. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically and businesses compete for the technical expertise to find, develop, and produce such properties, the skilled labor to operate the properties and the capital for the purpose of financing development of such properties. Such competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

Dependence on management and directors

The Company is largely dependent on the performance of its directors and officers. There is no assurance the Company will be able to maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and its prospects.

Fluctuating mineral prices

The mining industry is heavily dependent upon the market price of metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist at the time of sale. Factors beyond the Company's control may affect the marketability of metals or minerals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, and the Company will be affected by numerous factors beyond the control of the Company. The effect of these factors on the Company's operations cannot be predicted. If mineral prices decline significantly, it could affect the Company's decision to proceed with further exploration of its properties.

Future financing

The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms to the Company, if at all. Failure to obtain additional financing on a timely basis has resulted in delay and indefinite postponement of further exploration and development and the forfeiture of some rights in some or all of the Company's properties. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to further explore and develop its properties, take advantage of other opportunities, or otherwise remain in business. Events in the equity market may impact the Company's ability to raise additional capital in the future.

Future acquisitions

As part of the Company's business strategy, it may seek to grow by acquiring companies, assets or establishing joint ventures that it believes will complement its current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for its business. The Company cannot guarantee that it can complete any acquisition it pursues on favorable terms, or that any acquisitions completed will ultimately benefit its business.

Volatility of share price

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earning.

Conflicts of interest

Certain directors and officers of the Company will and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures, which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the interest of the Company. Directors and officers of the Company with conflicts of interest will be subject to and follow procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

The Company has never paid a dividend on its common shares. It is not anticipated that the Company will pay any dividends on its common shares in the foreseeable future.

Adverse fluctuations in currency exchange rates

The Company will be subject to fluctuations in the rates of currency exchange between the Canadian dollar and the United States dollar, these fluctuations could materially affect the Company's financial position, and results of operations as costs may be higher than anticipated. The costs of goods and services could increase due to changes in the value of the Canadian dollar or the United States dollar. Consequently, operation and development of the Company's properties might be more costly than the Company anticipates.

Current global economic conditions

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase its cost of capital. The Company's failure to raise capital when needed or on reasonable terms may have material adverse effects on the Company's business, financial condition and results of operations. A trend in the global mining industry relates to government nationalization of natural resources; the Company's sole project is located in the United States.

Valuation of investment in mineral properties

Management has identified indicators of impairment and tested its investment in mineral properties for impairment. No impairment expense was recorded during the year ended December 31, 2017.

Critical accounting policies and estimates

Statement of compliance

The Company's consolidated financial statements, including comparatives, for the years ended December 31, 2017, have been prepared in accordance with International Financial Reporting Standards effective for the Company's reporting year ending December 31, 2017.

Exploration and evaluation

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and assaying. When commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditures before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Exploration and evaluation analysis

Management has performed a review of its contractual commitments and rights and IFRS 6- Exploration for and evaluation of mineral resources. The Company’s expenditures included in the Company’s mineral properties include those that have directly benefited the Project and which management has determined, based on an impairment analysis, to be recoverable.

The impact of the Company’s treatment of capitalized expenses in respect of the Company’s financial statements has been to increase the Company’s assets and decrease net loss, as compared to a policy which expenses a higher proportion of Project expenditures.

JOSEPHINE MINING CORP.
(the "Company")

Corporate Governance Disclosure

Corporate Governance Disclosure

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Policy 58-201 *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board of Directors have implemented.

Board of Directors

Our Board of Directors is composed of three directors: Richard Buzbuzian, Tony Di Benedetto and Danny Gravelle. Messrs. Di Benedetto and Gravelle are considered to be independent (as determined under National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Mr. Buzbuzian is not independent as he is an executive officer of the Company. In assessing Form 58-101F2 and making the foregoing determinations, the Board of Directors has examined the circumstances of each director in relation to a number of factors.

Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Richard Buzbuzian	CT Developers Ltd.

Orientation and Continuing Education

The Board of Directors does not have a formal orientation or education program for its members. New directors are made aware of the nature and operation of the business of the Company through interviews with other board members and management during which they are briefed on the Company and its current business issues. Information on continuing education courses pertaining to corporate governance is circulated to directors who are encouraged to attend.

Ethical Business Conduct

The Board of Directors has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its board members independent of corporate matters.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board of directors are reviewed by the entire Board.

Compensation

The Board of Directors periodically reviews the adequacy and form of compensation of directors to ensure that the level of compensation realistically reflects the responsibilities and risks involved in being an effective director.

The non-management directors on the Board of Directors set the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer ("**CEO**") and approve the compensation for all other designated officers after considering the recommendations of the CEO.

Other Board Committees

Given the small number of members, the Board of Directors does not have any other committees other than the audit committee.

Assessments

The Board of Directors conducts an annual review of its effectiveness as well as the effectiveness and contribution of each committee and each individual director.

JOSEPHINE MINING CORP.
(the "Company")

Audit Committee Disclosure

Audit Committee Disclosure

The Company's audit committee is composed of three directors: Richard Buzbuzian, Tony Di Benedetto and Danny Gravelle. Messrs. Di Benedetto and Gravelle are considered to be independent (as determined under National Instrument 52-110 *Audit Committees* ("**NI 52-110**")). The charter of the Company's audit committee is set out in Appendix "A" to this document.

As a company listed on the TSX Venture Exchange, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110, and is relying on the exception contained in section 6.1 of that instrument.

Relevant Education and Experience of Audit Committee Members

The following is a description of the education and experience of each member of the audit committee that is relevant to the performance of his responsibilities as an audit committee member and, in particular, any education or experience that would provide the member with:

a) an understanding of the accounting principles used by the Company to prepare its financial statements;

b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and

d) an understanding of internal controls and procedures for financial reporting.

Richard Buzbuzian

During the past 15 years, Mr. Buzbuzian has held various senior executive positions as both a principal and an advisor to public and private companies. His business experience in the metals and mining industry includes backgrounds in corporate finance, business development, and investor relations. Mr. Buzbuzian was a director and Chief Operating Officer of the Griffin Corporation (GRN.TSXV) from 1998 to 2004 and was a director of Armada Data Corp. (ARD.TSXV) from 1999 to 2009. Mr. Buzbuzian currently sits on the board of directors of CT Developers Ltd. (DEV.P.TSXV).

Tony Di Benedetto

Mr. Di Benedetto has been actively involved in the Canadian technology services sectors since the early 1990's and has founded and grown a number of technology companies including internet hosting providers, managed service providers, wireless broadband networks and data center facilities. Mr. Di Benedetto is active in a number of other ventures and routinely engages in decisions and analysis regarding financial matters for growth-stage companies. Tony brings over 17 years of IT entrepreneurship, technology M&A and capital markets experience to the audit committee, including acting as CEO of Drone Delivery Canada Corp., a TSXV listed company. He received his degree at York University.

Danny Gravelle

Mr. Gravelle has over 10 years' experience in the financial markets and is the founder, CEO and President of Goal Capital Inc., a consulting and value/investor relations company that specializes in helping small to mid-cap publicly traded companies with strategic development and market awareness within the investment community. Mr. Gravelle has worked with several NYSE, NASDAQ, TSX and OTCQB publicly traded companies over the last decade. He was the CEO and President of Zebra Resources Inc. (ZBRR.OTCBB) from 2008 to 2010 and is a graduate of Merrimack College with a Bachelor of Science in Business Administration.

Pre-Approval Policies and Procedures

The audit committee's charter provides that the audit committee must pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor and the fees and other compensation related thereto in excess of $50,000.

Fees Charged by External Auditor

The following table sets out the aggregate fees billed by the Company's external auditor in each of the last two fiscal years for the category of fess described:

	2016	**2017**
Audit Fees(1)	$12,500	$12,500
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
Total	**$12,500**	**$12,500**

Notes:
(1) The aggregate fees billed for audit services.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed under "Audit Fees".
(3) The aggregate fees billed for tax compliance, tax advice and tax planning services.
(4) The aggregate fees billed for professional services other than those listed in the other three categories.

APPENDIX "A"

JOSEPHINE MINING CORP.
(the "Company")

Audit Committee Charter

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, the fairness of transactions between the Company and related parties and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditor;
- provide an open avenue of communication among the Company's auditor, financial and senior management, the Committee and the Board of Directors;
- report regularly to the Board of Directors the results of its activities; and
- such other matters as the Board of Directors may delegate to the Committee.

Composition

The Committee shall be comprised of a minimum of three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110 *Audit Committees*), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting or until their successors are duly elected. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. The meetings will take place as the Committee or the Chair of the Committee shall determine, upon 48 hours' notice to each of its members. The notice period may be waived by a quorum of the Committee. The Committee may ask members of management or others to attend meetings or to provide information as necessary.

The quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or subcommittee present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. Decisions by the Committee will be by the affirmative vote of a majority of the members of the Committee, or by consent resolutions in writing signed by each member of the Committee.

The Committee shall prepare and maintain minutes of its meetings, and periodically report to the Board of Directors regarding such matters as are relevant to the Committee's discharge of its responsibilities, and shall report in writing on request of the Chairman of the Board of Directors. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor in separate sessions.

Subcommittees

The Committee may form and delegate authority to one or more subcommittees, which may consist of one or more members, as it deems necessary or appropriate from time to time under the circumstances. The quorum for the transaction of business at any meeting of the subcommittee shall be a majority of the members of the subcommittee.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

A. Documents/Reports Review

1. review and update this Audit Committee Charter annually;

2. review and recommend to the Board of Directors for approval the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, stock exchange or to the public, including any certification, report, opinion, or review rendered by the external auditor;

3. review regular summary reports of directors and officers expense account claims at least annually; and

4. establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chairman of the Committee or of the Compensation Committee is to approve expense reports of the President and the CEO, and the CEO to approve those of the directors and other officers.

B. External Auditor

1. review annually, the performance of the external auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company;

2. obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company, consistent with

Independence Standards Board Standard 1, and confirming that the external auditor is registered and in good standing with the Canadian Public Accounting Board;

3. review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;

4. take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

5. recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;

6. recommend to the Board of Directors the compensation to be paid to the external auditor;

7. at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

8. review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

9. review with management and the external auditor the audit plan for the year-end financial statements; and

10. review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor and the fees and other compensation related thereto in excess of \$50,000. The pre-approval requirement is waived with respect to the provision of non-audit services if:

    a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided;

    b) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

    c) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

    Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

C. <u>Financial Reporting Processes</u>

1. ensure that the Company has the proper systems and procedures, internal controls over financial reporting, information technology systems, and disclosure controls and procedures in place so that the Company's financial statements, MD&A, and other

financial reports, other financial information, including all Company disclosure of financial information extracted or derived from the Company's financial statements and other reports, satisfy all legal and regulatory requirements. The Committee shall periodically assess the adequacy of such systems, procedures and controls;

2. in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;

3. in connection with the annual audit, review material written matters between the external auditor and management, such as management letters, schedules of unadjusted differences and analyses of alternative assumptions, estimates or generally accepted accounting methods;

4. consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles, practices and internal controls as applied in its financial reporting;

5. consider and approve, if appropriate, changes to the Company's auditing and accounting principles, practices and internal controls over financial reporting as suggested by the external auditor and management;

6. review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;

7. following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

8. review and assist in the resolution of any significant disagreement between management and the external auditor in connection with the preparation of the financial statements and financial reporting generally;

9. review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;

10. review certification processes relating to preparation and filing of reports and financial information;

11. establish procedures for the receipt, retention and treatment of complaints or concerns received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

12. review with management financial and earnings guidance provided to analysts and rating agencies.

D. Authority

The Committee will have the authority to:

1. review with management the Company's major financial risk exposure, including a regular review of the top risks identified by management, and the policies and practices adopted by the Company;

2. review any related-party transactions;

3. engage independent counsel and other advisors as it determines necessary to carry out its duties;

4. to set and pay compensation for any independent counsel and other advisors employed by the Committee;

5. communicate directly with the auditors; and

6. conduct and authorize investigations into any matter within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.