FAIRMONT RESOURCES INC.

(an Exploration Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS OF THE UNAUDITED CONDENSED INTERIM FINANCIAL POSITION AND RESULTS OF OPERATIONS

For the Three and Six Months Ended April 30, 2019

This MD&A is dated June 24, 2019

Introduction

This Management Discussion and Analysis ("MD&A"), dated September 27, 2018 provides a review of the financial position and the results of operations of Fairmont Resources Inc. (the "Corporation", "Fairmont" or the "Company") and constitutes management review of the factors that affected the Company's financial and operating performance for the three and six months ended April 30, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. The review is provided to enable the reader to assess the significant changes in the financial condition of the Company as at and for the three and six months ended April 30, 2019. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended April 30, 2019 and the audited consolidated financial statements of the Company for the years ended October 31, 2018 and 2017 together with the notes thereto. The Company's financial statements and the financial information reported in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts presented are stated in Canadian dollars, unless otherwise indicated. Information contained herein is presented as of June 24, 2019, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Fairmont's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Cautionary Note Regarding Forward-Looking Information

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of iron ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, iron ore prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.** The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Neil Pettigrew, P.Geo, a director of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management discussion and analysis. Mr. Roger Ouellet, P. Geo, consultant to Fairmont Resources and a Qualified Person ("QP") under NI 43-101 regulations, reviews and approves technical work on our Quebec Projects.

Description of Business

Fairmont Resources Inc. (the "Company") was incorporated on May 25, 2007 under the British Columbia Business Corporations Act. The Company's head office address is Suite 820 – 1130 West Pender Street, Vancouver, BC V6E 4A4, Canada. The registered and records office address is Suite 820 – 1130 west Pender Street, Vancouver, BC V6E 4A4, Canada. The Company was listed on the TSX Venture Exchange under the symbol "FMR". On October 26, 2018, shares of the Company were delisted from the TSX Venture Exchange subsequent to the approval by the shareholders of the Company in its annual general meeting and special meeting on September 21, 2018.

The Company was primarily focused on the exploration and development of one iron-titanium-vanadium property and three quartz properties. The iron-titanium-vanadium property is called the Buttercup Property and is located in south central Quebec, 250 km North of Quebec City. Near this property we had an option on a quartz property called Lac Bouchette. We also owned two more quartz properties located about 400 km North East of Quebec City and named Forestville and Baie Comeau. The Company has decided to abandon its interest in these mineral properties and during the year ended October 31, 2018, wrote-off the carrying values of the assets.

On February 4, 2019, the Company announced that it has entered into a non-binding letter of intent with Full Spectrum Brands Canada Inc. ("Full Spectrum Brands") (the "LOI"). The LOI outlines certain mutual understandings and principal terms and conditions pursuant to which the Company and Full Spectrum Brands Canada intend to effect a possible transaction that will result in a reverse takeover of the Company by the shareholders of Full Spectrum Brands and the listing of the Company common shares on the Canadian Securities Exchange (the "CSE") (the "Transaction").

Overall Performance

For the quarter ended April 30, 2019, the Company had a comprehensive loss of $14,287 (2018 – loss of $9,652). This decrease in loss is mainly due to a significant change in the nature of the business in that management has decided to eliminate any non-essential expense in the current year. At April 30, 2019, the Company had cash of $11,984 (October 31, 2018 – $8,216). At April 30, 2019 the Company had a working capital deficit of $1,950,840 (October 31, 2018 – $1,853,694). To date, the Company's sole source of financing has been derived from the issuance of common shares. During the quarter ended April 30, 2019, no options, were issued and expired.

During the quarter ended April 30, 2019, no warrants, were issued and no warrants expired.

<u>Financings</u>

On February 23, 2016, the Company signed a letter of intent, conditional on securing financing, with the courts in Spain to purchase the assets of Granitos de Badajoz S.A. ("Grabasa"). Grabasa is a manufacturer of polished granite slabs, which are used for flooring, building cladding, countertops and other purposes. The assets of Grabasa included 23 premium quality dimension stone licenses, and a 42,000 square metre processing facility for cutting and polishing with an annual production capacity in excess of 250,000 square metres (the "Grabasa Assets). The Company was unable to secure the necessary financing for the acquisition and the option to purchase the Grabasa Assets expired on May 26, 2017. Consequently, the Company wrote off the €150,000 deposit being held by the courts in Spain. In addition to the deposit being held, the Company owes a €575,000 success fee to an unrelated third party.

Eureka Trading. On November 20, 2017, the matter was transferred to a Court in Ontario to enforce the ruling of the Spanish Court. As of October 31, 2018, this debt has been assigned by Eureka Trading to a third party.

On May 22, 2018, Eureka Trading assigned the rights of the claim to a third party, and the Company executed a full and final release form, whereby €575,000 ($863,880) is owing to the third party. The Company reversed $72,010 in legal fees payables outstanding on behalf of Eureka Trading that are no longer payable based on the terms of the debt assignment.

Management continue to seek relief from this judgement, however, the likelihood of success of this action cannot be determined. This amount has been accrued in the statement of financial position as at April 30, 2019.

Share capital

Effective October 1, 2018, the Company consolidated its common shares on a 10 to 1 basis, which resulted in 4,068,328 shares outstanding post-consolidation. The consolidation was approved by the shareholders of the Company on September 21, 2018 and by the Exchange on September 28, 2018. All references to common shares, stock options and warrants in these financial statements have been adjusted to reflect this change.

Share issuances

On August 23, 2018, the Company closed a debt settlement transaction with certain creditors, pursuant to which the Company settled indebtedness of $165,708 through the issuance of 331,416 common shares at a deemed price of $0.50 per common share.

On December 12, 2016, the Company issued a total of 50,000 common shares at a price of $0.70 as payment on the Rome property.

On December 30, 2016 the Company issued a total of 142,500 Flow Through Units at a price of $0.80 for proceeds of $114,000. Each unit consists of one share and one share purchase warrant that can be exercised at $1.50 until December 30, 2018.

On January 20, 2017 the Company issued a total of 214,286 Non-Flow Through Units at a price of $0.70 for proceeds of $150,000. Each unit consists of one share and one share purchase warrant that can be exercised at $1.50 until January 20, 2019.

On March 2, 2017 the Company issued a total of 57,500 common shares at a price of $1.00 on exercise of 57,500 warrants.

On March 24, 2017 the Company issued a total of 17,500 common shares at a price of $1.00 on exercise of 17,500 warrants.

On June 13, 2017, the Company issued a total of 50,000 common shares at a price of $0.35 as payment on the Rome lithium property.

On June 13, 2017, the Company issued a total of 56,500 common shares with a fair value of $19,775 as payment on debt of $56,500 owed to a vendor. The transaction resulted in a gain of $36,725.

Stock options

During the year ended October 31, 2018, no options were issued and on June 16, 2018, 86,500 options at $1.80 per share expired.

On February 6, 2017, 100,000 options at $2.50 per share expired. On February 8, 2017, 26,250 options at $6.00 per share expired.

On February 14, 2017 1,250 options at $6.00 per share expired. Warrants During the year ended October 31, 2018, no warrants, were issued and no warrants expired.

On March 3, 2017, 57,500 warrants were exercised at $1.00 per warrant for gross proceeds of $5,750 in exchange for 57,500 shares of common stock.

On March 24, 2017, 17,500 warrants were exercised at $1.00 per warrant for gross proceeds of $1,750 in exchange for 17,500 shares of common stock.

On June 8, 2017 the remaining 355,240 warrants that were issued on June 8, 2016 expired.

Mineral Properties

Buttercup Property (Quebec)

On January 28, 2014 the Company entered into a purchase agreement with an arm's length party (the "Vendor") to earn a 100% interest in certain mineral claims known as the Buttercup property in the province of Quebec. To acquire the 100% interest, the Company agreed to:

i. pay $50,000 (paid) to certain suppliers of the Vendor,
ii. issue a total of 1,000,000 common shares (issued at a value of $50,000); and
iii. pay a total of $150,000 to the Vendor.

The $150,000 payment is to be paid in an installment of $50,000 within 60 days of receiving final permits to commence commercial production on the property and $100,000 to be paid on commencement of commercial production. Further the net profits from production will be split 80% to the Vendor and 20% to the Company until the Vendor has received a total payment of $3,000,000. Thereafter the Vendor will receive 5% of the net profits and the Company will receive 95%. The Company also issued 100,000 common shares in the capital stock of the Company (issued at a value of $5,000) as a finder's fee for the property.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $306,057 was recognized in the statement of loss and comprehensive loss during the year ended October 31, 2018.

Effective August 9, 2018, the Company terminated the purchase agreement.

Lac Bouchette Property (Quebec)

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $205,375 was recognized in the statement of loss during the year ended October 31, 2017.

Forestville – Baie Comeau Property (Quebec)

On January 21, 2015 the Company acquired a 100% interest in the Forestville and Baie Comeau Quartzite properties (the "Properties"). The properties have been optioned for the purpose of testing the chemical and physical properties of the quartzite as a potential raw material for various products such as: high purity glass, fibre optics, countertops, ferrosilicon and silica metal.

To acquire 100% of the Properties, the Company will:

i. pay 500,000 shares on the date of acceptance of the TSX Venture Exchange (the "Exchange Approval Date") (paid),
ii. pay $6,000 on the Exchange Approval Date (paid),
iii. pay $100,000 in shares on or before January 21, 2016, (on November 29, 2015, 2,000,000 shares were issued at a price of $0.05 per share)
iv. iv. pay $50,000 in shares on or before July 21, 2016, (issued August 8, 2016) and
v. v. incur $60,000 of exploration expenditures on the Forestville Quartzite Property on or before December 31, 2015 (incurred).

The Company is responsible for keeping the Properties in good standing including the filing of required assessment work and completing regulatory work expenditures or making cash payments in lieu of work 120 days before required under the rules of the jurisdiction. Also, the Company will pay a 2% production royalty in connection with the sale of produced minerals on the Properties, and may repurchase the royalty at a price equal to $0.25 per tonne.

During the year ended October 31, 2018, the Company determined there were indicators of impairment due to no substantive exploration and evaluation expenditures planned on the property. An impairment of $512,888 was recognized in the statement of loss during the year ended October 31, 2018.

Rome Lithium Property (Quebec)

On May 26, 2016 the Company signed an option agreement with a Quebec prospector (the "Prospector") to acquire a 100% interest in the Rome Lithium property, near Val d'Or, Quebec (the "Property"). Accordingly, Fairmont (the "Optionee") will issue to the Optionor 500,000 shares (issued) and will pay the Optionor $25,000 (paid).

In order to exercise the balance of the option, Fairmont will be required to:

(i) issue 500,000 shares on or before December 10, 2016 (issued);
(ii) issue 500,000 shares on or before May 26, 2017(issued), (Note 12);
(iii) incur $50,000 of exploration expenditures before May 26, 2017; and
(iv) incur an additional $100,000 before May 26, 2019.

The Property will be subject to a 2% Production Royalty per tonne. The Optionee may purchase one half of the Production Royalty (1%) for one million dollars (Canadian) at any time. On June 14, 2016 the company issued 500,000 shares at $0.19 per share as the first payment for the Rome Lithium property.

On June 22, 2017, the Company signed a Right of First Refusal (ROFR) contract with Jourdan Resources for the Rome Lithium property. Jourdan Resources is a related party due to a common director. The terms of the ROFR required an initial $25,000 refundable payment to the Company. Should the Company not find a better offer within 30 days of signing the ROFR, Jourdan would have paid an additional $25,000 cash and issued the Company an additional 1,500,000 shares. The Company would have also received a 2% Net Smelter Royalty. On August 9, 2017, the ROFR was exercised, and the Company agreed to sell the property to Jourdan, subject to approval from the exchange. By July 22, 2017, no third party had presented a better offer on the property. On August 9, 2017 the Company agreed to sell the property to Jourdan Resources, subject to approval from the exchange.

In June 2017, the Company received the initial deposit of $25,000 from Jourdan Resources.

During the year ended October 31, 2017, the Company determined there were indicators of impairment due to the payments under the option agreement not being received, and no substantive exploration and evaluation expenditures planned on the property. An impairment of $147,500 was recognized in the statement of loss.

On July 15, 2018, the Company received remaining $25,000 and was issued 1,500,000 shares of Jourdan Resources with a fair value of $120,000 (Note 4). The Company recognized the payments received as a gain on disposal of property in the statement of loss and comprehensive loss.

Summary of Quarterly Results

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Results of Operations

This section should be read in conjunction with the unaudited Condensed Interim Statements of Comprehensive Loss for the three and six months ended April 30, 2019 and the audited Statements of Comprehensive Loss for the year ended October 31, 2018, and 2017, and the notes associated therewith.

Quarter ended April 30, 2018

A summary of selected financial information of the Company for recently completed periods is provided below:

General and administrative costs

For the quarter ended	**Apr 30, 2019**	**Jan 31, 2019**	**Oct 31, 2018**	**Jul 31, 2018**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net gain (loss) for the period	(14,287)	(143,813)	(910,128)	103,949
Basic & diluted (loss) per share	(0.00)	(0.23)	(0.23)	0.00
Cash and cash equivalents	11,984	26,460	8,216	11,132
Exploration and evaluation assets	-	-	-	807,622
Total Assets	17,253	31,550	79,493	953,764
Working capital deficiency	(1950,840)	(1,936,551)	(1,853,694)	(1,849,396)
Shareholder's equity	(1,950,839)	(1,936,551)	(1,853,694)	(1,041,774)
For the quarter ended	**Apr 30, 2018**	**Jan 31, 2018**	**Oct 31, 2017**	**Jul 31, 2017**
	$	$	$	$
Revenue	Nil	Nil	Nil	Nil
Income from operations	Nil	Nil	Nil	Nil
Net gain (loss) for the period	(9,652)	(46,060)	(578,468)	(1,131,720)
Basic & diluted (loss) per share	(0.00)	(0.00)	(0.03)	(0.03)
Cash and cash equivalents	1,508	57	1,150	4,780
Exploration and evaluation assets	807,622	818,945	817,526	1,172,840
Total Assets	809,130	819,341	819,267	1,188,684
Working capital deficiency	(1,953,345)	(1,955,016)	(1,907,537)	1,684,383
Shareholder's equity	(1,145,723)	(1,136,071)	(1,090,011)	(511,543)

A summary of selected financial information of the Company for recently completed periods is provided below:

During the three months ended April 30, 2019, the Company had a net and comprehensive loss of $14,287 (2018 – loss of $9,652).

During the three months ended January 31, 2019, the Company had a net and comprehensive loss of $143,813 (2018 – loss of $46,060).

For the quarter ended October 31, 2018, the total assets decreased from the previous quarter by $874,271 primarily due to impairment of exploration and evaluation assets. Exploration and evaluation assets decreased by $807,622 from the prior quarter. The decrease in shareholders equity is due to the impairment loss for the period and there is minimal change in the working capital for the period.

For the quarter ended July 31, 2018, the total assets increased from the previous quarter by $144,634 primarily due to addition of marketable securities. Cash and cash equivalents increased due to amounts received from sale of a property. Exploration and evaluation assets remained the same as the prior quarter. The increase in shareholders equity is due to the income for the period and there is minimal change in the working capital for the period.

For the quarter ended April 30, 2018, the total assets decreased from the previous quarter by $10,211 primarily due to the cancellation of an amount due to a supplier. Cash and cash equivalents increased slightly due to a GST refund the Company received in the current quarter. Exploration and evaluation assets also decreased by $11,323 due to the cancellation of an amount due to the supplier. The decrease in shareholders equity is due to the loss for the period and there is minimal change in the working capital for the period.

For the quarter ended January 31, 2018, the total assets increased slightly mainly due to a small addition to evaluation and exploration assets offset by a decrease in cash and cash equivalents. Exploration and evaluation assets increased by $1,419 and cash and cash equivalents decreased by $1,093. Shareholders equity decreased by $46,060 during this quarter as a result of the loss for the quarter.

For the quarter ended October 31, 2017, the total assets decreased by $369,417 primarily due to an impairment of exploration of evaluation assets. Exploration and evaluation assets decreased by $355,314. Cash and cash equivalents decreased by $3,630 during the quarter.

For the quarter ended July 31, 2017, the total assets decreased by $224,961 primarily due to the write off of Grabasa deposit. Net Exploration and evaluation assets decreased by $7,500 during the quarter. Cash and cash equivalents decreased by $1,932 and prepaid expenses decreased by $2,561 during the quarter.

Financial Statements Going Concern Assumption

The Company expects to incur further losses, and require additional equity financing, in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its exploration expenditure plans for the current fiscal year and will be required to raise capital through the equity market.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	October 31, 2018	October 31, 2017	October 31, 2016
Working capital (deficiency)	$ (1,853,694)	$ (1,907,538)	$ (524,528)
Deficit	$ (8,827,482)	$ (7,950,592)	$ (5,897,080)

Net cash used in operating activities during the six months ended April 30, 2019, was $60,767 (2018 – net cash of $9,546).

Net cash provided by financing activities during the six months ended April 30, 2019, was $nil (2018 – $nil).

Net cash used in investing activities during the six months ended April 30, 2019, was $101,101 (2018 – net cash used $9,904).

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses and continue to conduct exploration activities throughout the current fiscal year. It will continue to focus on actively exploring its mineral properties.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with International Accounting Standards 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

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, to similar transactions to non-key management personnel related entities on an arm's length basis.

The Company entered into the following transactions with related parties:

The President and Chief Executive Officer, Mr. Michael Lerner, ("CEO") of the Company is the President of 1820546 Ontario Inc. ('1820546 Inc."), (and by extension the CEO and President) has a contract with the Company. Fees and outstanding amounts due to 1820546 Ontario Inc. relating to management fees consulting services as expensed are detailed in the table below.

The Chief Financial Officer, Mr. Balu Gopalakrishnan, ("CFO") of the Company is the president of Campus Alliance Inc., has a service contract with the Company and is entitled to fees based on this contract relating to accounting services in the normal course of business. These fees are expensed as accounting fees in the general and administrative expenses.

The table below details the fees and amounts due to related parties:

	Six months ended	
Related Party Fees	**April 30, 2019**	**April 30, 2018**
1820546 Inc. - management fees	$ 60,000	$ 50,000
1820546 Inc. - administrative fees	6,000	5,000
Greg Ball (former CFO)	-	4,000
Campus Alliance Inc.	30,000	10,000
Total related party transactions	**$ 48,700**	**$ 69,000**

Related party payables	**April 30, 2019**		**October 31, 2018**	
1820546 Inc.	$	188,598	$	143,548
Campus Alliance Inc.		63,850		36,850
Avanti Management and consulting Ltd., company controlled by the former CEO		244,970		244,970
Harvey McKenzie (former Director)		-		2,500
Total Related party payables	**$**	**497,418**	**$**	**427,868**

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

Significant Accounting Policies

a. Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, the functional currency of the Company.

b. Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of exploration and evaluation assets and deferred exploration costs, share-based payments and deferred tax valuation allowance.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

- the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position;
- the inputs used in the accounting for the deferred tax assets / liabilities; and
- the inputs used in the accounting for share-based payment expense included in profit or loss.

c. Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

d. Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

e. Impairment

The carrying amounts of the Company’s non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f. Provision for closure and reclamation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at October 31, 2018 and 2017.

g. Share-based payments

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

h. Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses the exercise of outstanding options and warrants has not been included in this calculation as it would be anti-dilutive.

i. Flow through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

j. Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

k. Financial instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in net loss. The Company's amounts receivable are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties, which are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

l. Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty; or

• default or delinquency in interest or principal payments; or

• it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

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

m. Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates and was determined to be the Canadian Dollar. The functional currency determination was conducted through an analysis of the factors identified in International Accounting Standard 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

n. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

Financial Instruments

a) Fair Value

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

c) 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 and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

a) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company, has exposure to foreign exchange risk as the success fee liability (note 10) is denominated in Euros.

b) Interest Rate Risk

The Company is not exposed to significant interest rate risk.

c) Price risk

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

Adopted and Future Accounting Standards

New accounting policies adopted

The IASB issued a number of new and revised accounting standards that are not yet effective. These standards include the following:

IFRS 9, Financial Instruments – Classification and Measurement - IFRS 9 is replacing IAS 39, Financial Measurements: Recognition and Measurements. IFRS 9 retains but simplifies the mixed measure model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for the Company's fiscal period beginning November 1, 2018. The Company is still assessing the impact of the adoption of this new standard on its financial statements.

IFRS 15, Revenue - IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. A full retrospective application or a modified retrospective application was required for annual periods beginning on or after January 1, 2018. Currently, the Company does not have any contracts with customers and as such there has been no impact to the financial statements upon adoption.

IFRS 16, Leases – IFRS 16 was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company plans to continue to assess the potential effect of IFRS 16 on its financial statements

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at April 30, 2019.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 4 in the financial statements for the year ended October 31, 2018 for a description of the capitalized exploration and development costs on the Buttercup, Lac Bouchette, Baie Commeau, Rome and Forestville properties. For a description of the general and administrative expenses, please refer to the condensed interim statements of comprehensive loss contained in the financial statements for the year ended October 31, 2018.

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of Shares
Balance, October 31, 2016	3,148,626
Shares issued for exploration and evaluation assets	100,000
Shares issued for cash	356,786
Share issued on exercise of warrants	75,000
Shares issued for settlement of debt	56,500
Balance, October 31, 2017	**3,736,912**
Shares issued on settlement of debt	331,416
Balance, October 31, 2018	**4,068,328**
Shares issued on settlement of debt	422,767
Balance, April 30, 2019	**4,491,095**

Stock options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at October 31, 2017	181,500	$ 1.80
Expired	86,500	–
Exercisable at October 31, 2018	95,000	$ 1.80
Expired	–	–
Balance at April 30, 2019	95,000	$ 1.80

As at April 30, 2019, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price	Expiry Date
95,000	1.80	June 16, 2021
95,000		

Warrants

The following table summarizes the warrants and agent warrants activity (Note 11).

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2016	430,240	$ 1.00
Issued	356,786	1.50
Expired	(355,240)	1.50
Exercised	(75,000)	1.00
Balance at October 31, 2017 and 2018	356,786	$ 1.50
Expired	(356,786)	$ 1.50
Balance at April 30, 2019	-	-

SHARE CAPITAL – ISSUED AND OUTSTANDING

Issued and outstanding: April 30, 2019 – 4,491,095
Issued and outstanding: June 24, 2019 (date of this report) – 4,491,095

Warrants outstanding: April 30, 2019 – nil
Warrants outstanding: June 24, 2019 – nil

Options outstanding: April 30, 2019 – 95,000
Options outstanding: June 24, 2019 – 95,000

Subsequent Events

On February 4, 2019, the Company announced that it has entered into a non-binding letter of intent with Full Spectrum Brands Canada Inc. ("Full Spectrum Brands") (the "LOI"). The LOI outlines certain mutual understandings and principal terms and conditions pursuant to which the Company and Full Spectrum Brands Canada intend to effect a possible transaction that will result in a reverse takeover of the Company by the shareholders of Full Spectrum Brands and the listing of the Company common shares on the Canadian Securities Exchange (the "CSE") (the "Transaction").

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.
- Financial risks include commodity prices, interest rates and the Canada / United States exchange rate, all of which are beyond the Company's control.
- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Internal Controls over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Corporate update and change of directors

On December 13, 2017, the Company announced the appointment of Michael Lerner as the new President, CEO and Director. On January 24, 2018, the Company announced that the Board of Directors have appointed Harvey McKenzie as a director of the Company. Effective December 31, 2018, the Company announced that Harvey McKenzie has resigned as director of the Company and he has been replaced by Binyomin Posen, subject to regulatory approval.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

Further Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.