

**LKP SOLUTIONS INC.**

**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

For the year ended April 30, 2017

**LKP SOLUTIONS INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended April 30, 2017**  
**(Information as at August 25, 2017 unless otherwise noted)**

---

**Cautionary Statements**

Forward- Looking Information

Except for statements of historical fact relating to LKP Solutions Inc. (the "Company" or "LKP") certain statements contained in this MD&A constitute forward- looking information, future oriented financial information or financial outlooks (collectively "forward- looking information") within the meaning of Canadian securities laws. Forward- looking information may relate to this document and other matters identified in LKP's public filings, LKP's future outlook and anticipated events or results and in some cases can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward- looking statements are based on a number of material factors and assumptions including but not limited in any manner, those disclosed in any other of LKP's public filings and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While LKP considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other LKP filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and, other than as required by law, LKP does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

This MD&A may include forward looking statements regarding the Company's future.

## **INTRODUCTION**

The following provides Management's Discussion and Analysis of the consolidated financial position of LKP and the results of operations of the Company for the year ended April 30, 2017. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on August 28, 2017.

All figures are presented in Canadian dollars (unless otherwise indicated) and are in accordance with International Financial Reporting Standards ("IFRS"). These statements together with the following Management Discussion and Analysis dated August 28, 2017, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. LKP's consolidated financial statements were prepared in accordance with IFRS. All amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise noted.

## **NATURE OF OPERATIONS**

### Corporate summary

The company was incorporated as "LKP Solutions Inc." under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011. Effective November 17, 2016 the company name was changed to LKP Solutions Inc. (the "Company" or "LKP"). Concurrently, the share capital was consolidated at a ratio of one (1) post-consolidation common share for every 30 pre-consolidation common shares.

On November 15, 2016, the shareholders of the Company approved a Common Share Exchange between LKP, on a consolidated basis, and Pueblo Lithium Inc. (a combination of Pueblo Potash Inc. ("PLK") and Agr-O Phosphate Inc, ("AOP")) Each Pueblo shareholder was to receive one new LKP share for each four (4) Pueblo shares, and each Agr-O shareholder was to receive one new LKP share for each two (2) Agr-O share). Due to the difficult market for mining stocks, this combination was not effected until April 27<sup>th</sup>, 2017.

The Company is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of precious and base metals with mineral properties in North America. At the date of these financial statements, the Company has two dormant mineral properties which previously were owned by Pueblo Lithium Inc.

As at April 30, 2017, the Company's shares were not listed on any exchange. The office of the Company is located at #408 – 150 – 24<sup>th</sup> Street, West Vancouver, British Columbia, V7V 4G8.

### **Cease Trade Order and Revocation**

In June 2013, the Company was issued a Cease Trade Order due to a failure to file its annual financial statements, Management Discussion and Analysis and certificates for the year ended April 30, 2013. Further cease trade orders followed for failure to file the 2014 annual financial statements, Management Discussion and Analysis and certificates, and the subsequent quarterly financial reports.

On March 11, 2016 each of the British Columbia Securities Commission (the **BCSC**, in respect of its cease trade order dated September 8, 2014), the Ontario Securities Commission (the **OSC**, in respect of its cease trade order dated September 23, 2014) and the Alberta Securities

Commission (the **ASC**, in respect of its cease trade order dated December 9, 2014) issued partial revocation and variation orders (the **Partial Revocation Orders**) in respect of the cease trade orders issued by each commission (collectively, the **Cease Trade Orders**) for the failure of the Company to file its comparative financial statements for the year ended April 30, 2014 and Form 51-102F1 *Management's Discussion and Analysis* for the period ended April 30, 2014 as required by National Policy 51-102 - Continuous Disclosure Obligations and the respective securities legislation of British Columbia, Ontario and Alberta (note 19).

On May 16, 2016 the Cease Trade Orders were revoked.

### **Highlights**

Highlights for the year ended April 30, 2017 include:

- The Company had a very quiet year as there is very little activity in the junior public company stock market.
- The Company has curtailed expenditures and has incurred only those costs necessary to maintain the Company's continued existence.

### **ON-GOING PROJECTS**

As at April 30, 2017, the Company has no on-going projects, and is investigating numerous options.

#### **Exploration and evaluation expenditures**

During the year ended April 30, 2016, the Company incurred \$Nil of exploration and evaluation expenses or other costs to keep the properties in good standing.

The Company expenses all exploration costs on an annual basis. The properties are carried forward at a nil asset valuation.

In 2011, Pueblo acquired a 100% an interest in two mineral exploration properties (approximately 53kms x 12 kms) in Baja California, Mexico. The project remains dormant.

In 2012, Agro acquired a 100% interest in Nevagro LLC, which in turn owns a Prospecting License on a 100% interest in the 2,560 acre Murdock Mountain phosphate deposit. The deposit is reported to contain a non-43-101 compliant resource of 8-18 million tons of 15% P2O5. In 2014 the license was put into limbo due to an EPA study on the Sage Grouse in the area. In August of 2015, the study was completed and the prospecting license was back in force, subject to the BLM studying the exploration programme submitted by Agro. The project remains dormant.

In November of 2013, Agr-o sold a 10% participating interest in the Nevagro property for \$125,000 in exploration expenses to Quia Resources Inc. (now Eastern Legends Inc., a private company). The venture remains dormant.

## SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the years ended April 30, 2017, 2016 and 2015.

	<b>Year ended April 30, 2017</b>	Year ended April 30, 2016	Year ended April 30, 2015
Other income	<b>\$3,657</b>	<b>\$15,000</b>	<b>\$-</b>
Total expenses	<b>(125,580)</b>	<b>(71,843)</b>	<b>(27,274)</b>
<b>Other items</b>			
Finance costs and bank charges	<b>(11,367)</b>	<b>(24,068)</b>	<b>(22,242)</b>
Acquisition expense	<b>( 1,358,458)</b>	-	-
Loan Impairment	<b>(15,000)</b>	-	-
<b>Net loss and comprehensive loss for the year</b>	<b>(1,506,748)</b>	<b>(80,911)</b>	<b>(49,516)</b>
<b>Loss per share</b>			
Loss per common share:			
Basic and diluted	<b>(0.679)</b>	<b>(0.111)</b>	<b>(0.068)</b>
Weighted average number of common shares outstanding:			
Basic and diluted	<b>2,218,632</b>	<b>727,674</b>	<b>727,674</b>

The chart below presents the summary financial information of LKP Inc.:

	<b>As at April 30, 2017</b>	As at April 30, 2016	As at April 30, 2015
Current assets	<b>\$19,741</b>	<b>\$62,559</b>	<b>\$1,770</b>
Noncurrent assets	<b>NIL</b>	<b>15,000</b>	<b>NIL</b>
Total assets	<b>19,471</b>	<b>77,559</b>	<b>1,770</b>
Current liabilities	<b>236,500</b>	<b>337,036</b>	<b>185,607</b>
Total long-term financial liability	<b>NIL</b>	<b>175,236</b>	<b>169,965</b>
Shareholders' deficiency	<b>(217,029)</b>	<b>(434,713)</b>	<b>(353,802)</b>
Cash dividends per common share	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

The chart below presents the summary financial information of LKP Inc. for the years ended April 30, 2017, 2016 and 2015:

	<b>Year ended April 30, 2017</b>	Year ended April 30, 2016	Year ended April 30, 2015
<b>Revenue and Other Income</b>			
Other income	<b>3,657</b>	<b>15,000</b>	-
<hr/>			
Operating expenses	<b>(125,580)</b>	<b>(71,843)</b>	<b>(27,274)</b>
Finance costs and bank charges	<b>(11,367)</b>	<b>(24,068)</b>	<b>(22,242)</b>
Acquisition expense	<b>( 1,358,458)</b>	-	-
Loan Impairment	<b>(15,000)</b>	-	-
<b>NET LOSS</b>	<b>(1,506,748)</b>	<b>(80,911)</b>	<b>(49,516)</b>

## **OVERALL PERFORMANCE AND RESULTS OF OPERATIONS**

### **Expenses and Net Profit (Loss) for the Year**

Total expenses for the year ended April 30, 2017, were (\$125,980) (April 30, 2016, (\$71,843).

#### Significant variance

Management fees were \$0 in 2017 compared to \$0 in 2016. No management fees were paid in 2017 nor 2016.

Exploration expenses were \$0 in 2017 compared to \$0 in 2016. The Company did not incur any exploration or property management costs in 2017 nor 2016.

General and administrative expenses were \$13,292 higher in 2017 due to the Company costs of lifting the cease trade orders.

Professional fees were \$9,859 lower in 2017 due to the Company only incurring those costs necessary to maintain the Company's continued existence.

The company realized other income of \$3,657 in 2017 compared to \$15,000 in 2016.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance new and existing exploration activities.

## Quarterly results

Quarter	Net Income (Loss) (\$)	Income (Loss)/ Share (\$)	Total Assets (\$)	Shareholder's Equity (\$)
Q4 2017	(1,335,854)	(0.679)	19,471	(434,713)
Q3/2017	(34,706)	(0.01)	11,854	(80,441)
Q2/2017	(34,395)	(0.03)	8,553	(80,291)
Q1/2017	(101,793)	(0.15)	37,235	(45,896)
Q4/2016	(11,601)	(0.001)	1,770	(353,802)
Q3/2016	(17,083)	(0.001)	6,660	(342,201)
Q2/2016	( 7,137)	(0.000)	6,573	(325,117)
Q1/2016	(13,695)	(0.001)	8,742	(317,980)

## CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

Exploration and evaluation costs – Exploration and evaluation costs of mineral exploration properties together with direct exploration and development expenditures are only capitalized when the Board of Directors is convinced that the Company has an economically feasible mineral reserve located on one of its exploration properties. Until that point, all exploration and evaluation costs are expensed until an economically feasible reserve is identified.

Income taxes - The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense or development property and a corresponding credit to share-based payment reserves. Charges associated with granted options are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

## LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2017, the Company had cash of \$15,905. During the year ended April 30, 2017, the Company spent cash of \$117,958 through operating activities, and received \$77,988 through financing activities.

The Company has financed its operations from inception to date through the issuance of equity securities. The Company has administrative and other expenses that exceed available cash resources.

The Company requires additional funding to be able to further its existing exploration projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its property and generation of profitable operations in the future.

### **Financing Transactions**

#### Year ended April 30, 2017

At April 30, 2016, the Company had, on a consolidated basis, 727,674 common shares outstanding.

In 2017, the Company issued the following equity:

Shares issued for cash	2,820,954	301,965
Shares issued for debt	535,192	190,144
Shares issued for reorganization?	12,323,234	1,232,323

The Company had 16,407,054 shares outstanding as of April 30, 2017.

At April 30, 2017 the Company had 1,658,500 warrants outstanding.

### **OUTSTANDING SHARE DATA**

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at April 30, 2016 and April 30, 2015, are as follows:

	<u>April 30, 2017</u>	<u>April 30, 2016</u>
Common shares	16,604,047	21,830,227
Stock options	-	1,550,000
Warrants	1,658,500	9,304,500
Fully diluted shares outstanding	<u>18,065,554</u>	<u>32,684,727</u>

#### **a) Share Consolidation and Share issuances**

On July 21, 2016 the Company issued 372,838 Pre-consolidation (“PC”) shares upon the conversion of the debenture in the face amount of \$186,419 (see Note 6):

On July 21, 2016 the Company issued 5,932,933 PC shares in settlement of \$156,441 in accounts payable and accrued interest.



On July 31, 2016 the company issued 6,030,000 PC units at \$0.025 per unit for cash of \$150,750. Each unit consisted of one common share and one share purchase warrant to acquire one Company common share for \$0.033 for 24 months from date of issue.

On November 17, 2016 the Company announced that as approved by the required majority of the shareholders at the Annual Shareholders' Meeting, the common shares of the Company had been consolidated on a 30:1 basis (30 old for 1 new).

On January 12, 2017, the Company issued 325,000 Common Shares as settlement in full of an outstanding debt, pursuant to a Debt Settlement Agreement entered into by the parties.

On January 18, 2017, the Company issued 2,056,250 Common Shares for \$0.001 per share for cash of \$2,056. The issue was considered as equalization shares relating to private placements and debt settlements which were completed on May 10, 2016 and July 21, 2016, at \$0.75 per post consolidated share.

On April 24, 2017, the Company issued 565,000 common shares for \$0.100 per share for cash of \$56,600.

On April 27, 2017, the Company issued 4,556,000 common shares to the holders of PLK and 7,634,733 to shareholders of AOP.

There were no issuances of common shares in the year ended April 30, 2016.

#### b) Warrants

As at April 30, 2017 the Company had a total of PC 6,030,000 (April 30, 2016 – Nil) common share warrants issued and outstanding. The following is a summary of changes in warrants:

	April 30, 2017		April 30, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
PC Outstanding, beginning	Nil	-0.033	1,100,000	0.15
Issued	6,030,000			
Expired	-	-	(1,100,000)	0.15
<b>Consolidated Outstanding, end of period</b>	<b>201,000</b>	<b>1.00</b>	Nil	0.00

On January 31, 2017 the Company had warrants issued and outstanding as follows as the price of the warrants had been reduced to \$0.20.

As a result of the share exchange between LKP and PLI and the following additional LKP warrants are now outstanding:

<b>Number of Warrants</b>	<b>Exercise price</b>	<b>Expiry</b>
201,000	\$0.20	July 21, 2018
892,500	\$0.10	October 1, 2018
565,000	\$0.20	December 31, 2018

#### **Share Exchange Agreement Signed, Cancelled:**

On August 11, 2016, the Company announced that further to its news release of June 27, 2016, confirming the signing of a binding letter of intent for a share exchange with VFP Therapies S.A.S. of Rouen, France (“VFP”), a Share Exchange Agreement has been executed by the parties. On November 11, 2016, the deal was cancelled.

#### **FINANCIAL INSTRUMENTS**

The Company’s financial instruments consist of cash, accounts payable, and convertible loan and debenture. The fair value of certain instruments approximates the carrying value due to their short-term nature.

	<b>Financial Instrument Classification</b>	<b>Carrying amount</b> \$	<b>Fair value</b> \$
<b>Financial assets</b>			
Cash	Fair value through profit and loss	15,905	15,905
Loan receivable	Fair value through profit and loss	3,567	3,567
<b>Financial liabilities</b>			
Accounts payable	Other financial liabilities	170,175	170,175
Due to related parties	Other financial liabilities	66,325	66,325
	<b>Financial Instrument Classification</b>	<b>Carrying amount</b> \$	<b>Fair value</b> \$

The following table provides an analysis of the Company’s financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at April 30, 2016 the Company does not have any Level 3 financial instruments.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

## TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

On November 17, 2016, the Company announced that Pueblo Potash Inc. and Agro Phosphate Inc. (both of which were considered related companies due to common directors and management) amalgamated to form Pueblo Lithium Inc. ("PLI"). The resulting company is no longer considered a related company, as a majority of the directors of PLI are not the same as the directors of the Company.

The Company considers Rosehearty Energy Inc. ("Rosehearty")(formerly Galahad Metals Inc.) to be a related company due to common directors and management.

### Transactions with key management personnel

Key management of the company are members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, Key Management remuneration includes the following:

	<u>April 30, 2017</u>	<u>April 30, 2016</u>
<u>Short-term key management benefits</u>		
Compensation	<u>\$ 18,500</u>	<u>\$ Nil</u>

### Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company considers Rosehearty Energy Inc. ("Rosehearty") (formerly Galahad Metals Inc.) to be related companies due to common directors and management.

On November 17, 2016, the shareholders of Pueblo Potash Inc. and Agro Phosphate Inc. (both of which were considered related companies due to common directors and management) voted to amalgamate to form Pueblo Lithium Inc. ("PLI"). The resulting company is no longer considered a related company, as a majority of the directors of PLI are not the same as the directors of the Company. The amalgamation of the Company with Pueblo and Agro finally took place on April 27, 2017.

## Transactions with key management personnel

Key management of the Company are members of the Board of Directors, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”). Key management remuneration includes the following:

	<u>April 30, 2017</u>	<u>April 30, 2016</u>
Short-term key management benefits		
Compensation	<u>\$18,750.00</u>	<u>\$18,750</u>

The Company has no employees. Compensation fees are paid/accrued to key management personnel which include the CEO, CFO, and the Corporate Secretary. The Company has incurred no director’s fees and stipends for the years ended April 30, 2017 and 2016. Included in accounts payable and accrued liabilities is (a) \$41,165 (2016 - \$1,690) owing to the CEO, (b) \$1,500 for an advance owing to Agro, (c) \$18,750 (2016 - \$18,750) owing to the CFO.

### Related party transactions:

- (1) the Corporate Secretary contract service costs of \$13,192 (2016 - \$5,584).
- (2) The CEO has advanced the Company \$41,165 (2016 - \$16,700) which has no specified terms of repayment, is unsecured and non-interest bearing and is presented as due to related party.
- (3) the former Chief Executive Officer advanced the company Nil (\$19,500 in 2015) - for a cumulated amount of \$81,145 which amount was converted in a shares for debt arrangement to common shares on January 12, 2017.
- (4) At April 30, 2016 and 2015, the Company has a long term convertible note with a face value \$186,419 (2015 - \$186,419) payable to Rosehearty Energy Inc. (Note 8). The convertible debt has accrued interest of \$35,701 (2015 - \$17,059) which is reflected in accrued liabilities. The Company recognized accretion expense of \$5,271 (2015 - \$5,271) related to the convertible note. The note was converted May 16, 2016

## **BOARD PURPOSE AND FUNCTION**

The directors and management of the parent company have extensive experience operating in the United States and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The Board’s purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of four members.

Except as disclosed below, LKP Solutions Inc. is not aware of any director or of the families of any directors, having any interest, direct or indirect, in any transaction during the last financial year or in any proposed transaction with any company in the LKP Solutions Inc. which has affected or will materially affect LKP Solutions Inc.

## **DIRECTORS AND OFFICERS, CHANGES**

On June 25, 2013, Michael Newman, resigned from the Board of Directors

On August 27, 2013, Patricia Purdy resigned as Corporate Secretary

On May 31, 2014 Sabino Di Paola resigned as CFO

On May 31, 2014 Robin Dow was appointed interim CFO

On April 9, 2015 Robert Schellenberg resigned from the Board of Directors

On December 31, 2015 Robin Dow resigned as Interim CFO

On December 31, 2015 Douglas Wallis was appointed CFO

On March 24, 2016 Larry Hoover resigned as a Director and CEO.

On March 24, 2016, Robin Dow was appointed CEO.

On April 4, 2016, Patricia Purdy was appointed Corporate Secretary.

On October 28, 2016, Paul W. Pitman was appointed a Director.

## **QUALIFIED PERSON**

The Company relies on Garry Smith, P. GEO, as the Qualified Person as defined under National Instruments 43-101.

## **INVESTOR RELATIONS**

As at the date of this Management Analysis and Discussion, LKP, has not yet signed a contract with an investor relation company.

## **PROPOSED TRANSACTIONS**

The Company is continually reviewing potential situations in all sectors with a view to enhancing value to shareholders.

## **CONTRACTUAL OBLIGATIONS**

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments except for those related to property option agreements and as disclosed below. Any commitments under exploration property option agreements are cancellable at the Company's option but would result in forfeiture of rights under those agreements.

- a) The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, in term of

level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect.

- b) As at April 30, 2016, the Company has negative working capital of \$274,477 and as a result does not have significant working capital to meet its existing obligations and fund its operations over the next twelve months. The Company is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of external financing.
- c) The Company has a commitment with a creditor to pay down an outstanding payable with 2% of future financings. As of April 30 2016, the balance on the commitment was \$20,700 which is reflected in accounts payable. This forms part of the shares for debt settlement in May of 2016.

## **CONTROL AND PROCEDURES**

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the mineral business.

It should be noted that at the date of this report, the company has no mineral assets. However, should the Company secure an interest in a different business, the risk factors may be significantly different, and the Company will define those at that time in the MD&A subsequent to any transaction.

## Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

## Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

## Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

## Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

## Uninsured Hazards

The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

### Conflicts of Interest

Certain Directors of the Company also serve as Directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

### Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its mining activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

### Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

### Operating in Foreign Jurisdictions

The Company had a property in the United States of America and as a result is exposed to a level of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in a foreign country in which it operates may adversely affect business operations.

## **STRATEGY AND OUTLOOK**

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.



The Company intended to retain its interest in the Bottle Creek property as part of this strategy; however, it had no funding available to proceed on the property. On March 8, 2016 the Company disposed of its interest in the property for proceeds of \$15,000.

The Company's short term list of objectives is as follows:

- 1) To seek an alternative business opportunity in any sector which could provide value to shareholders.

While Management has been generally successful in obtaining sufficient funding for its operating, capital and exploration requirements from inception to mid- 2014, the imposition of CTOs in the latter part of 2014 impacted the Company's ability to raise further capital. The Company, subsequent to the period covered by this report , has taken steps to refinance including obtaining an order for a partial revocation of the CTOs to permit it to issue a limited number of securities for (i) funding to bring its continuous disclosure requirements into a current status, and (ii) working capital. There is no assurance, however, that additional future funding will be available to the Company or that, when it is required it will be available on terms which are acceptable to Management.

## **SUBSEQUENT EVENTS NOT OTHERWISE DISCLOSED**

### **Subsequent events not otherwise disclosed**

On August 11, 2016, the Company announced that further to its news release of June 27, 2016, confirming the signing of a binding letter of intent for a share exchange with VFP Therapies S.A.S. of Rouen, France (“VFP”), a Share Exchange Agreement has been executed by the parties. In November 2016, the Share Exchange Agreement was cancelled.

On April 30, 2017, the Company announced a proposed Private Placement of \$200,000, through the placement of 2,000,000 Units at \$0.10 per Unit. Each unit consists of one common share and one common share purchase warrant, each warrant exercisable at \$0.20 for two years from closing.

On August 25, 2017, the Company announced that a Letter of Intent has been entered into as at August 15, 2017, with **Osoyoos Cannabis Inc. (“OSO”)** The Letter of Intent contemplates a share exchange (the “Exchange”) of one OSO common share for each 2.5 LKP shares. As OSO is raising funds at \$0.25, and LKP at \$0.10, the exchange ratio makes sense. OSO has approximately 30.5 million shares outstanding and LKP will have approximately 7 million consolidated shares at the time of the Exchange. The Company has set an Annual and Special meeting date of October 12<sup>th</sup> for the shareholders to vote on the Exchange.

## **OTHER INFORMATION**

Other information and additional disclosure of the Company’s technical reports, material change reports, news releases, and other information may be found on SEDAR.

## **CORPORATE INFORMATION**

### **Directors and Officers**

Robin Dow, HBA, MBA, FCSI – CEO, Director and Chairman

Paul W. Pitman, Director  
Doug Wallis, CPA, CA – CFO  
Patricia L. Purdy – Director and Corporate Secretary

**Corporate Office**

#408-150-24<sup>th</sup> St., West Vancouver, British Columbia, V7V 4G8

**Independent Auditor**

Mazars Harel Drouin, LLP

**Corporate Banker**

Royal Bank of Canada, West Vancouver

**Transfer Agent**

Capital Transfer Agency Inc., Toronto