

**LKP SOLUTIONS INC.**

**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

For the Quarter and Six Months ended October 31, 2017

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**For the Quarter Ended October 31, 2017**  
**(Information as at December 22, 2017 unless otherwise noted)**

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**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 condensed interim consolidated financial position of LKP and the results of operations of the Company for the quarter and six months ended October 31, 2017. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on December 22, 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 December 22, 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 condensed interim 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

LKP Solutions Inc. (the "Company" or "LKP") was incorporated as Red Ore Gold Inc. under the name "Red Ore Gold Inc." under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011.

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

The Company was 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 condensed interim consolidated financial statements, the Company has two dormant mineral properties which previously were owned by PLI and AOP.

As at October 31, 2017, the Company's shares were not listed on any exchange. The office of the Company is located at #408 – 150 – 24th 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.

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

## **Highlights**

Highlights for the six months ended October 31, 2017 include:

On July 30, 2017, the Company announced a proposed Private Placement of \$250,000, through the placement of 2,500,000 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. This transaction has not closed as at October 31, 2017 and as a result of a continuous disclosure review by British Columbia Securities Commission, both this transaction and the annual special meeting scheduled for October 12, 2017 have been postponed until further notice.

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 postponed the Annual and Special meeting date for the shareholders to vote on the Exchange, so the Exchange is not yet completed as at October 31, 2017.

## **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 six months ended October 31, 2017, the Company incurred \$2,000 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.

## SELECTED FINANCIAL INFORMATION

The factors that caused period-to-period variations from April 30, 2016 to April 30, 2017 include the acquisition of Pueblo Lithium Inc., which had an impact on the Company's operating expenses specifically. The acquisition of Pueblo Lithium Inc. resulted in an increase in net loss of approximately \$1,425,837 in the year ended 30 April 2017 compared to the prior year. The significant variations in net loss and comprehensive loss is due to acquisition expense incurred as a result of the acquisition of Pueblo Lithium Inc.

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**

The Company's financial condition, financial performance and cash flows are consistent with the prior period. The acquisition of Pueblo Lithium Inc. during the year ended 30 April 2017 had minor effect on the Company's assets, and increased the Company's liabilities by \$145,661. Operating expenses were greater in the prior period by \$103,790 as a result of regulatory, transfer agent and professional fees related to the acquisition.

At the moment, the Company is currently dormant, pending the planned amalgamation. Should the planned amalgamation with Osoyoos Cannabis Inc. take place, then the Company would be subject to the final decisions of Health Canada with respect to its ACMPR License to Cultivate and to Distribute. The Company would also be subject to risks associated with marketing its products under Provincial guidelines not yet promulgated, as well as usual supply and demand risks associated with the cannabis industry, which is still in its legal production infancy. The Company expects to be successful in these efforts, but success is not a certainty and if the Company is not successful, no benefit will result.

### **Results of Operations for the Three Months Ended October 31, 2017, compared to the Three Months Ended October 31, 2016**

Total expense for the three months ended October 31, 2017, were \$10,135 (October 31, 2016, expenses of \$34,395), which is a decrease in expenses of \$24,260 as a result of the following significant variances.

#### Significant variance

Promotion and investor conference expenses for the three months ended October 31, 2017 of \$12,319 increased compared with the same period in 2016 of \$740 due to a share exchange transaction in the quarter ended October 31, 2017.

Regulatory, exchange, AGM, press release and transfer agent for the three months ended October 31, 2017 of \$10,481 increased compared with the same period in 2016 of \$7,143 due to a share exchange transaction in the quarter ended October 31, 2017.

Professional fees for the three months ended October 31, 2017 of \$17,717 increased compared with the same period in 2016 of \$Nil expenses due to the Company incurring costs related to a share exchange transaction in the quarter ended October 31, 2017.

Acquisition expense recovery for the three months ended October 31, 2017 of \$41,747 increased compared with the same period in 2016 of \$Nil expenses due to an adjustment recorded in the period ended October 31, 2017 related to the acquisition of Pueblo Lithium Inc.

Loan impairment for the three months ended October 31, 2017 of \$Nil decreased compared with the same period in 2016 of \$15,000 expenses due to an impairment recorded for an uncollectible loan during the quarter ended October 31, 2016.

All other changes are insignificant.

### **Results of Operations for the Six Months Ended October 31, 2017, compared to the Six Months Ended October 31, 2016**

Total expense for the six months ended October 31, 2017, were \$8,138 (October 31, 2016, expenses of \$136,188), which is a decrease in expenses of \$128,050 as a result of the following significant variances.

#### Significant variance

Regulatory, exchange, AGM, press release and transfer agent for the six months ended October 31, 2017 of \$12,136 decreased compared with the same period in 2016 of \$44,917 due to share exchange transactions in the prior period ended 31 October 2016.

Professional fees for the six months ended October 31, 2017 of \$4,432 decreased compared with the same period in 2016 of \$37,824 expenses due to the Company only incurring those costs necessary to maintain the Company's continued existence and recovering costs accrued in prior periods.

Accretion expenses for the six months ended October 31, 2017 of \$Nil decreased compared with the same period in 2016 of \$11,183 due to all convertible debentures being converted as at April 30, 2017.

Acquisition expense recovery for the six months ended October 31, 2017 of \$41,747 increased compared with the same period in 2016 of \$Nil expenses due to an adjustment recorded in the period ended October 31, 2017 related to the acquisition of Pueblo Lithium Inc.

Loan impairment for the six months ended October 31, 2017 of \$Nil decreased compared with the same period in 2016 of \$15,000 expenses due to an impairment recorded for an uncollectible loan during the quarter ended October 31, 2016.

Other income of \$Nil for the six months ended October 31, 2017 decreased compared with the same period in 2016 of \$3,658 due to no income.

All other changes are insignificant.

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

The factors that have caused significant variations over the quarters, particularly in net loss, include the expenses necessary to initiate and complete the share exchange transactions related to the acquisition of Pueblo Lithium Inc. in quarter 1 ended July 31, 2016 and quarter 4 ended April 30, 2017, respectively. Other factors causing a significant decrease in expenses in Quarter 2 ended 31 October 2017 compared to Quarter 2 ended 31 October 2016 were reduced operating activities.

Quarter	Net Income (Loss) (\$)	Income (Loss)/ Share (\$)	Total Assets (\$)	Shareholder's Equity (\$)
Q2 2017	(10,135)	(0.001)	9,511	(180,152)
Q1 2017	1,997	0.000	30,197	(185,017)
Q4 2017	(1,335,854)	(0.679)	19,471	(217,029)
Q3/2017	(34,706)	(0.010)	11,854	(80,441)
Q2/2016	(34,395)	(0.041)	8,553	(80,291)
Q1/2016	(101,793)	(0.138)	37,235	(45,896)
Q4/2016	(45,902)	(0.063)	77,559	(434,713)
Q3/2016	(14,878)	(0.020)	3,799	(388,811)

### 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 condensed interim 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 October 31, 2017, the Company had cash of \$1,595 and working capital deficiency of \$180,152. During the six months ended October 31, 2017, the Company spent cash of \$56,825 through operating activities, and received \$42,515 through financing activities.

The Company has financed its operations from inception to date through the issuance of share equity. The Company currently has no source of revenues, as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its 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 projects and generation of profitable operations in the future.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares and warrants. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

### **Financing Transactions**

#### Quarter October 31, 2017

The Company had 16,407,054 shares outstanding as of April 30, 2017 and October 31, 2017. There were no share issuances in the six months ended October 31, 2017.

At October 31, 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 October 31, 2017 and October 31, 2016 and as at the date of the MD&A are as follows:

	<b>Date of the MD&amp;A</b>	<b>October 31, 2017</b>	<b>October 31, 2016</b>
Common shares	16,407,054	16,407,054	1,138,867
Stock options	-	-	-
Warrants	1,658,500	1,658,500	201,000
Fully diluted shares outstanding	<b>18,065,554</b>	<b>18,065,554</b>	<b>1,339,867</b>

### a) Warrants

As at the date of the MD&A, the Company had a total of 1,658,500 (October 31, 2017 – 1,658,500; October 31, 2016 – 201,000) common share warrants issued and outstanding. The following is a summary of changes in warrants:

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

## 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	1,595	1,595
Loan receivable	Fair value through profit and loss	-	-
<b>Financial liabilities</b>			
Accounts payable	Other financial liabilities	108,585	108,585
Due to related parties	Other financial liabilities	22,078	22,078

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.

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:

	<b>October 31, 2017</b>	October 31, 2016
Short-term key management benefits	<hr/>	<hr/>
Compensation	<b><u>\$NIL</u></b>	<b><u>\$NIL</u></b>

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 six month period ended October 31, 2017 and 2016. Included in accounts payable and accrued liabilities is (a) \$28,501 (April 30, 2017 - \$41,165) owing to the CEO, and (b) \$19,850 (April 30, 2017 - \$18,750) owing to the CFO.

### **Related party transactions**

- (1) The Corporate Secretary contract service costs of \$Nil (2016 - \$Nil).
- (2) The CEO has advanced the Company \$41,165 (April 30, 2017 - \$41,165) which has no specified terms of repayment, is unsecured and non-interest bearing and is presented as due to related party. As at October 31, 2017, there is a balance payable of \$22,078 (April 30, 2017 - \$66,325).
- (3) The former Chief Executive Officer advanced the company Nil (April 30, 2017 - \$Nil) - 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) As at October 31, 2017, there is \$nil payable to Rosehearty Energy Inc. (April 30, 2017 - \$Nil). Convertible debenture issued on May 30, 2012 to Rosehearty Energy Inc., with a face value of \$186,419 and accrued interest of \$35,701 as at April 30, 2016 was fully settled by way of conversion to common shares of the Company during the year ended April 30, 2017.

### **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.

## **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. See “Subsequent Events”.

## **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 October 31, 2017, the Company has negative working capital of \$180,152 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.

## **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's short term list of objectives is as follows:

- The Company intends to work closely with OSO to ensure funding and management progress on the building project for OSO in the Senkulman business park in Oliver, BC.
- To seek an alternative business opportunity in any sector which could provide value to shareholders.

## **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

Patricia L. Purdy – Director, Corporate Secretary

Doug Wallis, CA – CFO

### **Corporate Office**

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

### **Independent Auditor**

Buckley Dodds Parker LLP, Vancouver

### **Corporate Banker**

Royal Bank of Canada, West Vancouver

### **Transfer Agent**

Capital Transfer Agency Inc., Toronto