PROVENANCE GOLD CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2019

The following Management's Discussion and Analysis ("MD&A") for Provenance Gold Corp. ("**Provenance**" or the "**Corporation**"), prepared as of August 28, 2019, for the six months ended June 30, 2019 should be read in conjunction with the unaudited consolidated interim financial statements and related notes of the Corporation for the six months ended June 30, 2019 and the audited consolidated financial statements of the Corporation and related notes for the year ended December 31, 2018. The financial statements have been prepared using accounting principles consistent with International Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information on the Corporation can be found on SEDAR at **www.sedar.com**. The reader should be aware that historical results are not necessarily indicative of future performance. The consolidated financial statements together with the following MD&A are intended to provide readers with a reasonable basis for assessing the financial performance of the Corporation.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking information under applicable securities laws. Forward-looking information is information that relates to future, not past, events. In this context, forward looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the future expenditures and capital needs of the Corporation and the future exploration on, and the development of, the Corporation's projects are forward-looking information. By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the Corporation's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors and promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of the Corporation's common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A, and other reports and filings with applicable Canadian securities regulations.

Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of commodities; that the Corporation can access financing, appropriate equipment and sufficient labor and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Forward-looking information is made based on management's beliefs, estimates and opinions on the date that information is given and the Corporation does not intend to update forward-looking statements or information, except as may be required by applicable law.

Description of Business

Provenance Gold Corp., formerly Sparx Energy Corp., is classified as a reporting issuer in the jurisdictions of British Columbia and Alberta. As a reporting issuer, the Corporation's business is to comply with all reporting requirements while endeavoring to find, acquire and finance suitable and favorable resource related projects. Prior to 2017, the Corporation did not conduct significant commercial operations other than to meet filing requirements. On January 16th, 2017 the Corporation acquired 1084160 B.C. Ltd., which held the Yukon option and was renamed "Provenance Gold Corp."

Provenance holds the option on 192 quartz claims that are the source of most of the placer gold in a rich multi-drainage gold placer system centered in the western Yukon portion of the Tintina Gold Property. In addition, Provenance holds the option on 73 lode claims referred to as Silver Bow Property and 10 claims referred to as Golden Ridge Property in Nevada, USA. The Corporation also continues to evaluate any new mineral properties it identifies, with a focus on Canada, the United States and other politically stable, safe regions.

Silver Bow Property, Nevada U.S.A.

On August 29, 2018, the Corporation entered into the Silver Bow Nevada Property Option Agreement (the "SB Agreement") to acquire a 100% interest in 102 mineral claims referred to as the Silver Bow property and 10 claims referred to as Golden Ridge Property located in Nevada, USA. Pursuant to a trust agreement entered into between the Corporation and the CEO of the Corporation on September 20, 2018, the CEO is holding the Golden Ridge Property claims and Silver Bow claims in trust for the Corporation until such time as the Corporation wishes to have them transferred to a subsidiary of the Corporation. Two main target areas have been identified and will be the focus of initial exploration. The exploration target areas have historical multi-ounce per ton silver assays enhanced by supporting gold mineralization. This mineralization extends for several thousand feet along two primary parallel structures, but also extends outside these structural zones. Pre-drilling exploration of this property has already commenced. The focus of this initial work is to better understand the structural controls of the mineral system, followed by a planned drilling program of already identified and new targets.

Under the SB Agreement, payments totaling US $1,500,000 over a seven year period are required to be made and exploration expenditures are required to be incurred.

Strategy

As of January 16th 2017, the Corporation acquired an option on 149 Quartz claims in Yukon, Canada. Subsequently, the Corporation acquired an option on 73 mineral claims on its Silver Bow property and 10 mineral claims on its Golden Ridge property in Nevada, USA. The corporation has mobilized a team of consultants for daily management of the projects and on the ground support. Significant work has been done to date on both properties through historical work as well as 2018 exploration work completed by the Corporation. This work has included infrastructure development, sampling, assaying and key target area evaluation. The 2018 field program in Yukon focused on more detailed mapping of the geology of the property, with emphasis on structural geology, mineralization and rock alteration patterns.

The 2018 late field program on the Nevada property focused on surface sampling and assaying to provide more validation in regards to the Corporations belief of the gold and silver mineralization within the property.

For its Yukon property in 2019 the Corporation plans to expand its current knowledge base of the project which will focus on infill mapping, trenching and sampling of specific targets recognized over the past two exploration seasons providing that funds can be allocated and are secured prior for its Yukon operations. The Company also plans a review of regional results and all data to date on the property, as a result any additional widescale exploration or drilling will not occur until the following season on its Yukon property due to weather and timing constraints.

The company's immediate focus is on its Nevada based projects in the USA which the Company has recently announced a planned financing to fund a proposed upcoming drill program. To date in 2019 the Company has completed its in-depth data collection and is currently actively engaged in geological mapping, sampling, geophysics and permitting of the property for further in-depth exploration which will include this proposed initial drill program.

Risk Factors

The Corporation is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Corporation's business and the present stage of exploration of its resource properties (which are primarily early stage exploration properties with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, will apply:

Mining Industry is Intensely Competitive: The Corporation's business will be the acquisition, exploration and development of resource properties. The mining industry is intensely competitive and the Corporation will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Corporation will be affected by numerous factors beyond the control of the Corporation. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Corporation, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Corporation may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Corporation, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its resource properties could be mined at a profit.

Permits and Licenses: The operations of the Corporation will require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

No Assurance of Profitability: The Corporation has no history of earnings and, due to the nature of its business, there can be no assurance that the Corporation will ever be profitable. The Corporation has not paid dividends on its shares and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Corporation is from the sale of its common shares or, possibly, the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Corporation may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Corporation may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Corporation at risk.

These financial statements have been prepared assuming the Corporation will continue on a going concern basis: The Corporation's financial statements for the six months ended June 30, 2019 have been prepared on the basis that it will continue as a going concern. The Corporation recorded a comprehensive loss of $163,086 (2018 - $142,030) for this period. As at June 30, 2019, the Corporation had a working capital deficiency of $194,929 and an accumulated deficit of $1,082,965 (December 31, 2018 - $919,879), which was funded primarily by the issuance of equity. The Corporation's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. If the Corporation is unable to obtain adequate additional financing, it may be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that the Corporation's assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

Uninsured or Uninsurable Risks: The Corporation may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Corporation's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Corporation will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental Matters: Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Corporation, the extent of which cannot be predicted and which may well be beyond the capacity of the Corporation to fund. The Corporation's right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

Financing Risks: The Corporation has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Insufficient Financial Resources: The Corporation does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. The development of the Corporation's properties will therefore depend upon the Corporation's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Corporation will be successful in obtaining the required financing. Failure to raise the required funds could result in the Corporation losing, or being required to dispose of, its interest in its properties. In particular, failure by the Corporation to raise the funding necessary to maintain in good standing its various option agreements could result in the loss of its rights to such properties.

Dependence Upon Others and Key Personnel: The success of the Corporation's operations will depend upon numerous factors, many of which are beyond the Corporation's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce minerals from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Corporation. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Corporation and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Corporation's operations will depend, or that the Corporation will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

Price Fluctuations and Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Surface Rights and Access: Although the Corporation acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Corporation will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Corporation may need to rely on the assistance of local officials or the courts in such jurisdictions.

Title: Although the Corporation has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Corporation or of any underlying vendor(s) from whom the Corporation may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Results of Operations

At June 30, 2019 total assets were $1,317,407 compared to $1,347,722 at December 31, 2018. This increase in assets is the result of share subscriptions received during the period. The Corporation has no operating revenues. During the six months ended June 30, 2019, the Corporation had a comprehensive loss of $163,086 compared to a loss of $142,030 in the prior year. The increase in total expenses is primarily due to an increase in administrative costs relating to efforts to secure additional financing.

Selected Annual Information

Selected financial data for the Corporation for the three most recently completed financial years is presented below. It has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The presentation and functional currency of the Corporation is the Canadian dollar.

	December 31, 2018	**December 31, 2017**	**December 31, 2016**
	$	**$**	**$**
Total revenue	Nil	Nil	Nil
Net loss	301,177	328,211	27,448
Net loss per share, basic and diluted	0.01	0.01	0.00
Total assets	1,347,722	812,148	884
Total non-current financial liabilities	Nil	209,467	Nil

During 2016 the Corporation received loans and share capital while it investigated potential business opportunities for acquisition. This activity led to consulting and professional costs as well as the costs of maintaining the Corporation as a reporting issuer. During 2017, Provenance commenced active exploration of its Y2K Gold property. In 2018, the Corporation completed its program on the Y2K property and acquired the Silver Bow property. Provenance has reported no discontinued operations and has paid no dividends and is unlikely to pay dividends for the foreseeable future.

Discussion of Operations and Overall Performance

Matters in prior periods related to the ongoing development of the Corporation's various properties have been disclosed in previous MD&A filed on SEDAR.

Selected Quarterly Financial Information

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and is in accordance with International Financial Reporting Standards.

	3 Months ended June 30, 2019 $	3 Months ended Mar 31, 2019 $	3 Months ended Dec 31, 2018 $	3 Months ended Sept 30, 2018 $	3 Months ended June 30, 2018 $	3 Months ended Mar 31, 2018 $	3 Months ended Dec 31, 2017 $	3 Months ended Sept 30, 2017 $
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	83,664	79,422	94,676	64,471	78,030	64,000	99,578	73,801
Net loss per share, basic and diluted	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.00
Total assets	1,317,407	1,357,139	1,347,722	1,290,112	1,371,858	1,137,853	812,148	823,991
Total liabilities	199,983	159,842	73,590	455,105	487,455	1,098,419	708,714	432,539
Total shareholders' equity	1,117,424	1,197,297	1,274,132	835,007	884,403	39,434	103,434	391,452

The following discussion outlines the reasons for some of the variations in the quarterly numbers but, as with most junior mineral exploration companies, the results of operations (including interest income and net losses) are not the main factors in establishing the financial health of the Corporation. Of far greater significance are the resource properties in which the Corporation has, or may earn an interest, its working capital and how many shares it has outstanding. The variation seen over such quarters is primarily dependent upon the success of the Corporation's ongoing property evaluation program and the timing and results of the Corporation's exploration activities on its then current properties, none of which are possible to predict with any accuracy. There are no general trends regarding the Corporation's quarterly results and the Corporation's business of resource exploration is not seasonal, as it can work on its property on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Corporation has abandoned any properties or granted any stock options and these factors which may account for material variations in the Corporation's quarterly net losses are not predictable. General and administrative costs tend to be quite similar from period to period, except in certain cases when there is an increase in corporate activities resulting from the completion of a private placement.

Liquidity, Capital Resources and Outlook

As at June 30, 2019, the Corporation had cash of $4,514, GST receivable of $540 and current liabilities of $199,983. As at June 30, 2019, the Corporation had a working capital deficiency of $194,929.

On January 31, 2017, the Corporation executed a Debt Settlement Agreement ("the Agreement") to settle debt totaling $209,467 ($168,811 principal plus $40,656 accrued interest). Pursuant to the Agreement, the debt was settled by issuing a non-interest bearing promissory note in the amount of $209,467.

On June 13, 2018, the promissory note was assigned and on the same date the balance payable to the assignee was applied against the exercise price for 2,094,670 warrants at $0.10 per share resulting in 2,094,670 common shares being issued to the assignee.

During the six months ended June 30, 2019, Provenance used $100,788 of cash in operating activities (2018 – provided $278,033), had a net outflow of $10,161 in investing activities (2018 –$455,557), and raised $72,500 through financing activities (2018 - $307,134).

During 2016, loans were advanced by investors who were assisting in the implementation of the Corporation's business plan. The funds received provided the working capital required to prepare financial statements and for corporate registrations. On March 1, 2016, these investors assigned their loans ($157,205) plus accrued interest ($40,656) to a private company that became a related party as a result of the Securities Purchase Agreement (see below) executed on January 16, 2017.

On January 16, 2017, the Corporation closed a Securities Purchase Agreement ("the Agreement") with the shareholders of 1084160 B.C. Ltd., ("PGC"). PGC is the beneficial owner of the right to earn up to a 100% interest in and to a series of quartz claims located in the Moosehorn Range in the Yukon Territory. This interest is subject to certain royalty rights pursuant to a property option agreement dated June 10, 2016. Pursuant to the Agreement, the Corporation acquired all of the outstanding share capital of PGC by issuing 11,000,000 common shares and 3,500,000 common share purchase warrants to the shareholders of PGC. Each warrant is exercisable to acquire an additional common share of the Corporation at a price of $0.15 per share until October 19, 2018. Of these warrants, 900,000 were exercised during 2018 and the remaining warrants expired. In connection with the closing of the Agreement, Sparx Energy Corp. changed its name to "Provenance Gold Corp." and PGC continues as a wholly-owned subsidiary of the Corporation.

The net assets acquired under the Agreement consisted of the following: cash of $166,955; interest in mineral property – 2K Gold of $108,478; accrued expenses ($5,809).

On January 31, 2017, the Corporation completed a private placement of 750,000 units at $0.10 per unit for gross proceeds of $75,000. Each unit is comprised of one common share of the Corporation and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.15 until January 31, 2020.

On September 7, 2017, the Corporation completed a private placement of 2,187,733 units at $0.15 per unit for gross proceeds of $328,160. Each unit is comprised of one common share of the Corporation and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of $0.30 per share until September 7, 2019. The Corporation issued 40,000 common shares valued at $6,000 as a finder's fee and paid $3,148 in share issue costs.

Pursuant to an agreement entered into on October 3, 2017 under National Policy 46-201 *Escrow for Initial Public Offering* as an emerging issuer 6,500,000 of these common shares were deposited into escrow. As at December 31, 2018, 3,900,000 common shares are being held in escrow and will be released in instalments of 975,000 18, 24, 30 and 36 months after the listing date

On May 8, 2018, the Corporation completed a private placement of 2,066,000 units at a price of $0.25 per unit for gross proceeds of $516,500. As of December 31, 2017, $406,398 in advances had been received from subscribers in respect of this private placement. Each unit consists of one common share of the Corporation and one half of one common share purchase warrant. Each full warrant entitles the holder to purchase an additional common share at a price of $0.40 per share until May 8, 2020. The Corporation issued 59,300 common shares valued at $5,396 as finders' fees and incurred additional share issue costs of $14,968.

On September 26, 2018, the Corporation entered into a debt settlement agreement with the creditor whereby a portion of work completed on the 2K property will be converted into 1,600,000 settlement receipts at a price of $0.25 within four months and one day of their issuance. In the event that the Corporation does not redeem these receipts, they will automatically be converted into common shares of the Corporation on a one-for-one basis. Pursuant to the agreement, the Corporation issued 1,600,000 settlement receipts (the "receipts") at a deemed price of $0.25 (being the Corporation's share price on September 24, 2018) per receipt with each receipt automatically converting into one common share of the Corporation on February 26, 2019 and the Corporation having the option to redeem all or any portion of the receipts by making a cash payment of $0.25 per receipt to the creditor. On February 26, 2019, the 1,600,000 settlement receipts were converted to 1,600,000 common shares which were issued to the creditor.

During the year ended December 31, 2018, the Company issued 3,020,000 common shares for the exercise of warrants receiving $347,000 in cash.

Additional equity or debt financing will be required to implement the Corporation's exploration projects. There can be no assurance that the Corporation will be able to secure additional financing in the future on terms that are acceptable to it or at all.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at June 30, 2019.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash and accounts payable. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

Transactions with Related Parties

Key management personnel comprise the Company's Board of Directors and executive officers. All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. Unless otherwise indicated, the balances are unsecured, non-interest bearing, without specific terms of repayment and have arisen from advances or the provision of services and fees described.

During the six months ended June 30, 2019, the Company incurred $85,781 (2018 - $98,818) in consulting fees paid as follows: to the Chief Executive Officer (the "CEO") of the Company $24,338 (2018 - $43,500; a company controlled by the Chief Financial Officer (the "CFO") of the Company $22,500 (2018 - $54,000); and a director $38,943 (2018 - $1,318).

At June 30, 2019, the Company owed the CEO of the Company $42,000 (December 31, 2018 - $27,000) in respect of fees.

In addition to the above, expenses totaling $29,330 were paid for by a company controlled by the CFO during the six months ended June 30, 2019. As of June 30, 2019, the company controlled by the CFO is owed $51,830 (December 31, 2018 - $Nil) in respect of fees and expenses. This amount is unsecured, non-interest bearing and included in current liabilities.

Significant Accounting Judgments and Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The Corporation's significant judgments and estimates are disclosed in the financial statements as at and for the year ended December 31, 2018.

Disclosure of Outstanding Share Data

The Corporation is authorized to issue an unlimited number of common shares.

As at the date of this MD&A, the following is a description of the outstanding equity securities issued by the Corporation:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	35,929,134 Common Shares
Securities convertible or exercisable into voting or equity securities - warrants exercisable at $0.15 - warrants exercisable at $0.30 - warrants exercisable at $0.40		 750,000 1,093,867 1,033,000

Warrants

As of the date of this MD&A, 2,876,867 warrants were outstanding. 750,000 warrants are exercisable to acquire a common share of the Corporation for $0.15 per share expiring January 31, 2020. 1,093,867 warrants are exercisable to acquire a common share of the Corporation for $0.30 per share expiring September 7, 2019. 1,033,000 warrants are exercisable to acquire a common share of the Corporation for $0.40 per share expiring May 8, 2020.

In the month of October, 2018, the Corporation issued 900,000 common shares pursuant to the exercise of warrants at a price of $0.15 per share for total cash proceeds of $135,000. Effective October 19, 2018 2,600,000 warrants with an exercise price of $0.15 expired.

On January 18, 2019, the Corporation extended the expiry date of 750,000 outstanding share purchase warrants that are exercisable for common shares of the Corporation at $0.15. The warrants were issued as part of the private placement which closed on January 31, 2017. The expiry date of the warrants due to expire on January 31, 2019 were extended to January 31, 2020. All other terms of the warrants remain unchanged.

Stock Options

On September 17, 2018, the Corporation granted 200,000 share purchase options to a consultant of the Corporation which vest in stages over a period of 12 months with no more than 25% of the options vesting in any three month period. The share purchase options are exercisable at $0.25 per share for a period of one year, expiring September 17, 2019. The estimated fair value was calculated for the options using the Black-Scholes pricing model based on the following assumptions: risk-free interest rate of 2.12%, expected life of 1 year, no annual dividends, and expected volatility of 220%. Total compensation relating to this grant is $24,640. Of this amount, the Corporation recognized $13,875 in share-based payments during the year ended December 31, 2018 and $6,378 in the six months ended June 30, 2019.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Corporation's internal control over financial reporting during the six months ended June 30, 2019, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Approval

The Board of Directors of the Corporation has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.