MONTEREY MINERALS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2018

FORM 51-102F1

DATE AND SUBJECT OF REPORT

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Monterey Minerals, Inc. (hereinafter "Monterey" or the "Company") for the interim period ended January 31, 2018. The MD&A should be read in conjunction with the unaudited consolidated financial statements for the interim period ended January 31, 2018 and audited consolidated financial statements and MD&A for the year ended April 30, 2017. The MD&A has been prepared effective April 2, 2018.

SCOPE OF ANALYSIS

The following is a discussion and analysis of Monterey Minerals Inc. The Company reports its financial results in Canadian dollars and in accordance with *IAS 34 – Interim Financial Reporting* as issued by the International Accounting Standards Board. All reported interim financial information includes the financial results of Monterey and its subsidiaries.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

TRENDS

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

GENERAL BUSINESS AND DEVELOPMENT

Monterey is in the business of developing technology for the mining and exploration sector, along with related internet marketing and applications.

The Company's office is located at 5728 East Boulevard, Vancouver, BC, V6M 4M4, Canada.

The Company is a reporting issuer in the Province of British Columbia. All public filings for the Company on the SEDAR website www.sedar.com.

Business Chronology

On May 9, 2014, Monterey Minerals, Inc. was incorporated as a wholly-owned subsidiary of reporting issuer Evitrade Health Systems Corp. (formerly Auxellence Health Corporation) ("Evitrade") under the laws of British Columbia, Canada.

On June 13, 2014, the Company entered into a Plan of Arrangement (the "2014 POA") with Evitrade (parent company at the time), and Evitrade's other wholly-owned subsidiaries. Pursuant to the 2014 POA, the Company is to issue 1,010,549 shares to the shareholders of Evitrade which equals the number of issued and outstanding common shares of Evitrade at the time of the share distribution date multiplied by the conversion factor, plus an additional 500 common shares per beneficial holder (the "Shares"), upon conversion of preferred shares as prescribed under the arrangement. To date, the Shares have not been issued to complete of arrangement. The Company anticipates it will be completed in fiscal 2018. (See Plans of Arrangement)

On November 18, 2014, the one (1) incorporator share held by Evitrade was transferred to the sole director of the Company through which it ceased to be a wholly-owned subsidiary of Evitrade.

On October 19, 2016, the Company incorporated four wholly-owned subsidiaries: 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD. ("Subcos") setup for proposed transactions under the Company's 2016 Plan of Arrangement. The Subcos were inactive as of January 31, 2018.

From incorporation to date, no significant operations have begun, and management is continuing to evaluate and consult on available business opportunities.

PLANS OF ARRANGEMENT

2014 Plan of Arrangement

On June 13, 2014, the Company entered into a Plan of Arrangement (the "2014 POA") with Evitrade, and Evitrade's wholly-owned subsidiaries. Pursuant to the 2014 POA, the Company is to issue 1,010,549 shares to the shareholders of Evitrade which equals the number of issued and outstanding common shares of Evitrade at the time of the share distribution date multiplied by the conversion factor, plus an additional 500 common shares per beneficial holder (the "Shares"), upon conversion of preferred shares as prescribed under the arrangement.

Upon closing and in exchange for the Shares, Evitrade will transfer to the Company $1,000 and a letter of intent for business concepts. The Company has recorded the deposit receivable of $1,000 for the 2014 POA. The Company has not issued the Shares pursuant to the 2014 POA and will do so upon Evitrade completing the conversion of Series A preferred shares as prescribed under the court approved arrangement. The Company anticipates it will be completed in fiscal 2018.

2016 Plan of Arrangement

On September 30, 2016, the Company signed letters of intent ("LOIs") with each of Landsdown Holdings Ltd., GCK Forestry Ltd., 2265040 Ontario Inc. (o/a EVI Tech Group) and Railhead Resources Ltd. (the "Purchasers") to form four (4) newly incorporated wholly-owned subsidiaries (Subcos) to facilitate transactions in which Subcos will purchase all of the issued and outstanding capital stock from each of the respective Purchasers' shareholders and be spun-out from the Company. The transactions did not complete as of January 31, 2018 or to date of this MD&A.

On November 29, 2016, the Company received court approval for its 2016 Plan of Arrangement ("2016-POA") pursuant to which, amongst other things, will result in transfer the LOIs and $1,000 (the "Assets") to and divesting each of 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD. The Company has setup $4,000 in deposits in regard to the contemplated transactions under the 2016-POA, that represents the cash portion of the Assets to be distributed to the Subcos with the letters of intent having no determinable fair market value.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2018, the Company had working capital deficit of $115,310 (April 30, 2017: $31,032).

During the nine-month period ended January 31, 2018, the Company incurred a net loss of $80,278 with cumulative losses and deficit of $105,959 (April 30, 2017: $31,031).

The continuation of the Company as a going-concern is dependent on its ability to raise additional capital or debt financing, including on reasonable terms, in order to meet business objectives towards achieving profitable business operations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Common Shares:

Authorized – Unlimited Common shares without par value

Issued and outstanding – one (1) common share as of January 31, 2018 and to date of filing.

Reserved for issuance under plans of arrangement: 1,010,549* (Note 10)

The one (1) incorporator share transferred to the sole director of the Company on November 18, 2014 will be cancelled upon completion of the pending push out of the Company from Evitrade Health Systems Corp. (formerly Auxellence Health Corporation) pursuant to its 2014 plan of arrangement.

Redeemable Preferred Shares:

Authorized - Unlimited Class A preferred shares

Issued and outstanding:

	January 31, 2018		April 30, 2017	
	Shares	**Amount, $**	Shares	Amount, $
Class A preferred shares				
Balance, beginning of period	**1,010,549**	**1,000**	1,010,549	-
Issued – Plans of Arrangement	**-**	**-**	-	-
2016 Plan of Arrangement	**4,042,196**	**4,000**	-	
Redeemed	**-**	**-**	-	-
Class A preferred shares				
Balance, end of period	**5,052,745**	**5,000**	1,010,549	1,000

The Class A preferred shares, with an average redemption price of $0.00495 each for a total value of $5,000, are non-voting, non-participating and are mandatorily redeemable by the Company in accordance with the Plans of Arrangement. At January 31, 2018, 5,052,745 (April 30, 2017: 1,010,549) preferred shares were outstanding and will be redeemed upon completion of respective transactions under the Plans of Arrangement.

RESULTS OF OPERATIONS

SELECTED QUARTERLY INFORMATION

The Company had no revenues and net loss and comprehensive loss of $(80,278) for the interim nine-month period ended January 31, 2018 (fiscal 2018) compared to $(9,351) for the comparable fiscal 2017 period, with a breakdown of quarterly financial results as follows:

Three months ended January 31, 2018 (Q3)

For the three months ended January 31, 2018 (Q3-2018), the Company had net loss and total comprehensive loss of $(9,351) compared $(1,859) for Q3 of fiscal 2017 ended January 31, 2017 (Q3-2017).

The increased expenses of $70,5206 for Q2 of fiscal 2018 as compared to 2017 are attributable to:

i) Consulting expenses increased $1,000 in Q3-2018 as compared to $Nil for Q3-2017;
ii) Transfer agent and filing fees increased by $2,818 from $1,859 in Q3-2017; and
iii) Other general changes in expenses.

Nine months ended January 31, 2018

For the nine months ended January 31, 2018, the Company had net loss and total comprehensive loss of $(80,278) compared to $(4,984) for the prior year nine-month period ended January 31, 2017, with the increased expenses and loss of $75,294 primarily the result of the following expense increases: management fees increasing by $60,000, consulting increasing by $3,600, professional fees increasing by $6,616, and transfer agent and filing fees increasing by $5,078.

SUMMARY OF FINANCIAL RESULTS FOR EIGHT MOST RECENTLY COMPLETED QUARTERS

The following table summarizes the financial results of operations for the eight most recent fiscal quarters of April 30, 2016 (Q4) of Fiscal 2016 through Q3 of Fiscal 2018 ended January 31, 2018:

	January 31, 2018 (Q3) $	**October 31, 2017 (Q2) $**	**July 31, 2017 (Q1) $**	**April 30, 2017 (Q4) $**
Revenue	**—**	—	—	—
Expenses	**(9,351)**	(70,526)	(401)	(4,433)
Net loss	**(9,351)**	(70,526)	(401)	(4,433)
Loss per share – basic and diluted	**(9,351)**	(70,526)	(401)	(4,433)

	January 31, 2017 (Q3) $	**October 31, 2016 (Q2) $**	**July 31, 2016 (Q1) $**	**April 30, 2016 (Q4) $**
Revenue	—	—	—	—
Expenses	(1,859)	—	(3,125)	
Net loss	(1,859)	—	(3,125)	
Loss per share – basic and diluted	—	(3,125)		

The Company had not commenced commercial operations as of January 31, 2018, nor to date of filing this MD&A. Notwithstanding, the Company and management continue to identify business opportunities for the Company to complete various Plans of Arrangement that have been contemplated and court-approved in 2014 and 2016. (see Plans of Arrangement)

RELATED PARTY TRANSACTIONS

During the three and nine months ended January 31, 2018, $60,000 (2016: $Nil) was accrued and expensed for management fees to Ron Ozols for services rendered. Mr. Ozols has been the sole director and officer of the Company since inception with no prior management fees accrued or paid by the Company since inception.

INCOME TAXES

Estimated taxable income for the three and nine months ended January 31, 2018 and comparable prior year periods is $Nil.

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the company can utilize the benefits from the deductible temporary differences and unused tax losses.

Deferred Income Tax Recovery

A reconciliation of deferred income tax recovery on expected income taxes at estimated statutory rates, less unrecognized deferred taxes is as follows:

	January 31, 2018 $	**January 31, 2017 $**
Loss before income taxes	**(80,278)**	(4,984)
Estimated statutory income tax rates	**26.00%**	26.00%
Expected income tax recovery at statutory rates	**20,872**	1,296
Effect of an increase in tax rates	**—**	—
(Increase) Decrease in unrecognized deferred taxes	**(20,872)**	(1,296)
Deferred income tax recovery	**—**	—

Deferred Income Tax Assets

Details of deferred income tax assets are as follows:

	January 31, 2018 $	April 30, 2017 $
Deferred income tax assets:		
Non-capital losses carried forward	**27,564**	6,692
Capital losses carried forward		—
Tax value of equipment in excess of book value	**—**	—
Tax value of CEC in excess of book value	**—**	—
Total deferred income tax assets	**27,564**	6,692
Less: unrecognized deferred tax assets	**(27,564)**	(6,692)
Deferred income tax assets	**—**	—

Non-Capital Losses –

As at January 31, 2018, the Company has non-capital losses of approximately $115,310 (April 30, 2017: $32,032) which may be carried forward to apply against future years income tax for Canadian income tax purposes, subject to final determination by taxation authorities and expiring as follows:

Fiscal Year	Non-capital Loss $
2035	8,001
2036	14,739
2037	9,292
2038	80,278

MANAGEMENT OF INDUSTRY AND FINANCIAL RISK

The Company is engaged primarily in the technology business/sector involved in internet marketing and applications and manages related industry risk issues directly. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's has minimal exposure to any financial risks having not commenced commercial operations. The Company's primary financial risk to *liquidity risk* due to its reliance on demand loans, vendors and consultants continuing to extend payment terms, and management continuing to accrue expenses for unpaid services. Any one or more of these liquidity risks may have a material financial impact on the Company, should favourable loans, services, and/or terms become no longer available to the Company.

Off-Balance Sheet Transactions

The Company has not entered into any significant off-balance sheet arrangements or commitments.

INTERNATIONAL ACCOUNTING STANDARDS (IAS)

This Management Discussion and Analysis and related disclosures are prepared in accordance and compliance with *IAS 34 - Interim Financial Reporting* in addition to other International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Refer to the Company's consolidated financial statements for interim period ended January 31, 2018 for details of the significant accounting policies and estimates adopted by the Company.

RISK AND UNCERTAINTIES

<u>Core Business</u>

The Company's business focus is on developing technology for the mining sector, along with related internet marketing and applications. The mining and exploration industry is largely controlled by Fortune 500 companies with large budgets and backed by big software and technology firms to support their mineral exploration efforts. It will require significant risk and capital for the Company working towards establishing viable business in the sector, if ever. There can be no assurance that the Company ever becomes established or profitable in the sector, even with significant capital investment and business expertise.

While the development of technology may result in profitable operations, marketing may also contribute to successful business. Major investment and expenses will be required to establish and developed technologies for acceptance by the industry. It is impossible to ensure that technologies and market strategy planned by the Company will result in profitable commercial sales and operations. Whether the company will be commercially viable depends on a number of factors, some of which are the particular attributes of the industry the technology is geared toward and the existing infrastructure, as well as competitors' strategies and market factors. Some of these are cyclical and government regulations, including regulations relating to medical devices and consumer health products.

<u>Some of these risks include, but not limited to, the following:</u>

Significant capital investment, technical and programming personnel, management, and consultants will be required for the overall project management, software, design, and development of the Company's planned technology for the mining sector, along related internet marketing and other applications.

If a significant portion of these development efforts are not successfully completed or marketable products and services are not development and become commercially successful, the Company's business, financial condition, and results of operations may be materially harmed.

There is no certainty that any expenditures to be made by the Company as described herein will result in market acceptance of the company's product or service offerings. There is aggressive competition within the mineral exploration and development sector with larger exploration companies developing related technology internally. The Company will compete against all internally and externally developed products and services by companies in the industry with far greater financial and other resources than currently available to the Company. As such, significant capital investment is required along with extensive other resources to development an offering of products and services and achieve commercialization. There can be no assurance the Company will be successful in obtaining required capital on acceptable terms.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, directors involved in potential conflicts will declare, and refrain from voting on the conflicted matter.

Negative Operating Cash Flows

As the Company is in early development stages, it will continue to have negative operating cash flows without the development of revenue streams from its business. Positive operating cash flows require the Company to sufficiently developed its products and services for commercialization.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel, Service Provider, and Advisors

The Company relies heavily on its officers, its service provider, and business advisors. The loss of their services may have a material adverse effect on the business and going concern of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Licenses, Patents and Proprietary Rights

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the Company's business as compared with those of its competitors depends on its acceptance by potential users and the medical community. Market acceptance will largely depend on the reputation of the Company, its marketing strategy, consumer and health practitioner's services and performance. The Company's success will depend on its ability to commercialize and expand its network users. The Company will need to expand its marketing and sales operations and establish business relations with suppliers and users in a timely manner.

In order to meet its business objectives, the Company will have to ensure that its facilities and services are safe, reliable and cost-effective, and bring the expected return. There can be no assurance that the Company's products and services will be accepted and recommended.

Competition, Technological Obsolescence

The mining and exploration sector is highly competitive. Other companies in the sector have significantly more financial, technical, distribution, and marketing resources. Technological progress and product development of the competition may cause the Company's services and product offerings, upon development, to become obsolete or may reduce their market acceptance.

Operating History and Expected Losses

The Company expects to make significant investments in order to develop its services, increase marketing efforts, improve its operations, conduct research and development and update its equipment. As a result, start-up operating losses are expected, and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Reliance on Joint Ventures, License Assignors and Other Parties

The nature of the Company's operations requires it to enter into various agreements with partners, joint venture partners, medical facilities, and medical equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of its businesses and the successful marketing of its services.

There is no guarantee that those with whom the Company needs to deal will not adopt other technologies or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the Company's competitors, in preference to those of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other businesses. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be 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 conflict of interest.

Negative Operating Cash Flows

As the Company is at the early stage start up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can realize stable cash flow from operations.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel and Advisors

The Company relies heavily on its sole officer and director Mr. Ron Ozols, along with key business consultants. The loss of their services would have a material adverse effect on the business of the Company. There can be no assurance that Mr. Ozols and consultants engaged by the Company will continue to provide services in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com.

CORPORATE INFORMATION

Directors:	Ron Ozols
Officers:	Ron Ozols, CEO, CFO
Auditor:	Adam Sung Kim, Ltd. Adam Kim, CA, CPA
Legal Counsel:	Brendan Purdy