Zenith Exploration Inc.
(formerly 1040442 B.C. Ltd.)

Management's Discussion and Analysis

For the Year Ended July 31, 2017

General

This management discussion and analysis of financial position and results of operations ("MD&A) is prepared as at November 17, 2017 and should be read in conjunction with the audited financial statements for the year ended July 31, 2017 and related notes of Zenith Exploration Inc. (formerly 1040442 B.C. Ltd.) ("Zenith", "1040442" or the "Company"). These audited consolidated financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the consolidated financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

On October 4, 2017, the Company changed its name to Zenith Exploration Inc. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

On November 3, 2017, the Company agreed to purchase the rights, title and undivided 100% interest in and to the mineral interests located in the Province of British Columbia (the "Property") in consideration of 15,000,000 common shares of the Company.

Plan of Arrangement

In July 2015, the Company entered into an Arrangement Agreement with TNX Maverick Inc. (“TNX) (formerly Kidani Capital Partners Inc.) and 1040678 BC Ltd. (“1040678”). TNX is a reporting issuer in the provinces of Alberta and British Columbia.

In October 2015, the shareholders of the Company, TNX and 1040678, executed the Arrangement as follows:

a) 1040678 acquired all of the issued and outstanding common shares of the Company from TNX for consideration of the Purchase Price of $1,000 on the Closing of the Plan of Arrangement (the “Purchase Shares”);

b) 1040678 and the Company exchanged securities on a 1:1 basis such that 396,600 common shares of 1040678 were exchanged by their holders for 396,600 common shares of the Company;

c) TNX and the Company exchanged on a 1:1 basis, such that TNX issued one common shares to the Company and the Company issued one common share to TNX (collectively, the “Exchange Shares”); and

d) The Purchase and the Exchange Shares were then cancelled.

Following completion of the Arrangement Agreement, the Company became a reporting issuer.

As a result of the Arrangement Agreement, the former shareholders of 1040678, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As 1040678 is deemed to be accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on June 19, 2015 are included in the consolidated financial statements at their historical carrying value. The financial statements are a continuation of 1040678 in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from October 29, 2015 onwards.

Selected Annual Information

The following table sets out selected annual financial results from the consolidated audited financial statements:

Years ended July 31,	2017	2016	2015
	$	$	$
Revenues	-	-	-
Gross profit (loss)	-	-	-
Operating expense	5,970	10,682	-
Other income (expense)	-	-	-
Net income (loss) for the year	(5,970)	(10,682)	-
Earnings (loss) per share	(0.02)	(0.04)	(0.00)
Total assets	130	-	1
Total long-term liabilities	-	-	-
Cash dividends declared	-	-	-

Results of Operations

For the year ended July 31, 2017, the Company incurred a loss of $5,970 compared to a loss of $10,682 for the year ended July 31, 2016. The decrease is due to the transaction fees of $6,932 in 2016 related to the Plan of Arrangement.

The Company's operating expenses for the year ended July 31, 2017 were kept to a minimum. Subsequent to July 31, 2017, the Company changed its name and shifted its focus to become a resource exploration company.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
July 31, 2017	$5,160	$0.02	$130	$Nil
April 30, 2017	$510	$0.00	$Nil	$Nil
January 31, 2017	$150	$0.00	$Nil	$Nil
October 31, 2016	$150	$0.00	$Nil	$Nil
July 31, 2016	$1,700	$0.01	$Nil	$Nil
April 30, 2016	$450	$0.00	$Nil	$Nil
January 31, 2016	$450	$0.00	$Nil	$Nil
October 31, 2015	$8,082	$0.98	$Nil	$Nil

Financial Condition, Liquidity and Capital Resources

The Company's working capital deficiency position at July 31, 2017 was $8,720 including cash of $Nil. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

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

Related Party Transactions

During the year ended July 31, 2017, the Company paid/accrued accounting and other office fees of $1,255 (2016 - $Nil) to a company controlled by Mr. Eugene Beukman, a former director of the Company.

During the year ended July 31, 2017, the Company received loans in the aggregate amount of $2,493 from Mr. Barry Hartley, a director of the Company, and a company controlled by Mr. Eugene Beukman, a former director of the Company. The loans are unsecured, non-interest bearing and payable on demand. As at July 31, 2017, the Company owed $2,493 related to these loans.

Included in accounts payable and accrued liabilities as at July 31, 2017 is $571 payable to a company controlled by Mr. Eugene Beukman, a former director of the Company.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

Critical Accounting Estimates

The Company prepares its financial statements in accordance with IFRS, which require management to estimate various matters that are inherently uncertain as of the date of the financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's financial statements. The Company's significant accounting policies are discussed in the consolidated financial statements.

The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the determination of the functional currency of the parent company and its subsidiaries.

Future Changes in Accounting Standards

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – The IASB intends to replace IAS 39, Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company does not expect any significant impact on its consolidated financial statements following the adoption of IFRS 9.

Financial Instruments and Risk Management

Fair Values

The fair values of cash and equivalents, receivables and trade payables approximate their book values because of the short-term nature of these instruments.

(a) *Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) *Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk
Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company is not exposed to credit risk.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

(a) Interest rate risk

The Company has no cash balances and no interest-bearing debt.

(b) Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of November 17, 2017.

Additional share information

As at July 31, 2017, the Company had 396,601 common shares outstanding and November 17, 2017 the Company had 4,396,601 common shares outstanding.

As at July 31, 2017 and as at the date of this report, the Company has no stock options or warrants outstanding.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.