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

Management's Discussion and Analysis

For the Three Months Ended October 31, 2017

General

This management discussion and analysis should be read in conjunction with the condensed interim financial statements and related notes thereto of Zenith Exploration Inc. (the "Company") for the three months ended October 31, 2017 and 2016 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board ("IASB"). All amounts in the financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated December 29, 2017, and discloses specified information up to that date.

Management is responsible for the preparation and integrity of the condensed interim 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 condensed interim 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 14, 2017, the Company entered into a definitive agreement to purchase the eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property in the Kamloops Mining Division of British Columbia (the "Property") for consideration of 15,000,000 common shares of the Company, at a deemed value of $0.02 per share, for total consideration of $300,000. Brent Hahn and Barry Hartley (the "Vendors"), both directors and officers of the Company, are vendors of the Property. In connection with the agreement, the Company and the Vendors have also executed a royalty deed agreement pursuant to the terms and conditions of which the Vendors shall receive a net smelter return royalty of 2% from the Company.

On December 4, 2017, the Company completed a first private placement comprised of 4,000,000 common shares of the Company at a price of $0.005 per share for total proceeds of $20,000. The shares were purchased by two directors of the Company.

On December 5, 2017, the Company completed a second private placement comprised of 300,000 common shares of the Company at a price of $0.05 per share for total proceeds of $15,000.

Results of Operations

	October 31, 2017	October 31, 2016
Expenses		
Professional fees	$ 2,218	$ -
Office and miscellaneous	300	-
Regulatory fees	2,690	-
Transfer agent	1,000	150
	(6,208)	(150)
Other Income		
Gain on forgiveness of debt	724	-
Loss and comprehensive loss	**$ (5,484)**	**$ (150)**

Three months ended October 31, 2017 and 2016

Loss

The net loss for the quarter ended October 31, 2017 was $5,484 compared to $150 for the quarter ended October 31, 2016, representing an increase in loss of $5,334.

Expenses

For the quarter ended October 31, 2017, total expenses were $6,208 compared to $150 recorded during the same period in 2016, representing an increase in expenses of $6,058. The higher expenses for the current quarter are due to an increase in activity.

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 condensed interim financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
October 31, 2017	$5,484	$0.01	$208	$Nil
July 31, 2017	$5,160	$0.01	$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	$0.00	$Nil	$Nil
April 30, 2016	$450	$0.00	$Nil	$Nil
January 31, 2016	$450	$0.00	$Nil	$Nil

Financial Condition, Liquidity and Capital Resources

The Company had a working capital deficiency of $14,204 (July 31, 2017 - $8,720) at October 31, 2017. 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.

On December 6, 2017, the Company completed two private placements. The first private placement comprised 4,000,000 common shares of the Company at a price of $0.005 per share for total proceeds of $20,000. The second private placement comprised 300,000 common shares of the Company at a price of $0.05 per share for total proceeds of $15,000. 4,000,000 common shares at $0.005 per share were purchased by two directors of the Company.

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

Related Party Transactions

During the three months ended October 31, 2017, the Company received loans in the aggregate amount of $913 from Mr. Brent Hahn, the Chief Executive Officer and a director of the Company. The Company also received loans in the aggregate amount of $7,614 from Mr. Barry Hartley, the Chief Financial Officer and a director of the Company. As at October 31, 2017, the outstanding loans were $10,841 (July 31, 2017 – $2,493). The loans are unsecured, non-interest bearing and payable on demand.

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 annual consolidated financial statements for the years ending July 31, 2017 and 2016.

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 receivables, trade payables, and loans payable approximate their carrying 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 as at the date of this report.

Additional share information

As at October 31, 2017, the Company had 396,601 common shares outstanding and as the date of this report, the Company had 19,696,601 common shares outstanding.

As at October 31, 2017 and as at the date of this report, the Company had 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.