AUXICO RESOURCES CANADA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2017

OVERVIEW

This following management's discussion and analysis (quarterly highlights) of the financial condition and results of operations ("MD&A") covers the operations of Auxico Resources Canada Inc. ("Auxico" or the "Company") for the three-month period ended December 31, 2017. All currency amounts referred to herein are in Canadian dollars unless otherwise stated. The MD&A should be read in conjunction with: the Company's unaudited condensed interim consolidated statements for the three-month period ended December 31, 2017; the Company's audited consolidated financial statements for the year ended September 30, 2017; and the Company's MD&A for the year ended September 30, 2017. The accompanying audited and unaudited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements and this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on the Company's website at www.auxicoresources.com and on SEDAR (www.sedar.com) under "Auxico Resources Canada Inc."

This MD&A is dated March 1, 2018.

COMPANY DESCRIPTION

The Company was incorporated under the Canada Business Corporations Act on April 16, 2014. The Company has a wholly-owned subsidiary, Auxico Resources S.A. de C.V. ("Auxico Mexico"), which was incorporated under the laws of Mexico on June 16, 2011. The Company has an office at 230 Notre-Dame Street West, Montreal, Quebec, H2Y 1T3, Canada. Auxico is a mineral exploration company with silver-gold properties in the state of Sinaloa, Mexico; the Company owns 100% of the Zamora silver-gold property in Mexico ("Zamora Property").

OVERVIEW OF THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2017

On October 17, 2017, the common shares of Auxico began trading on the Canadian Securities Exchange ("CSE") under the ticker AUAG.

On October 23, 2017, the Company granted, pursuant to its 10% Rolling Stock Options Plan, options to consultants to purchase a total of 1,100,000 common shares, exercisable in whole or in part, on or before October 22, 2022 at an exercise price of $0.40 per share. The fair value of the options was estimated at $342,980 using the Black-Scholes option pricing model.

During the three-month period ended December 31, 2017, the Company continued geological work on the Zamora Property. More specifically, Auxico conducted trenching and channel sampling at the Aguamas mine, as well as metallurgical work on gravity concentrates from the Campanillas and Aguamas sections of the Zamora Property.

SUBSEQUENT EVENTS

On January 1, 2018, the Company signed a second amending agreement on the Gold Loan Settlement Agreement. As repayment of the settlement, the Company will pay to the Lender a total of US$400,000 in cash payable on or before June 30, 2018 and a total of 1,000,000 common shares of the Company.

As at the date of this MD&A, there are 35,810,000 common shares issued and outstanding of Auxico.

FINANCIAL POSITION

The Company prepared its condensed consolidated financial statements in accordance with the International Financial Reporting Standards (''IFRS''). The Company's condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company. For more detailed information, please refer to the Company's condensed interim consolidated financial statements for the periods then ended. The financial position of Auxico at December 31, 2017 (unaudited) and September 30, 2017 (audited) is presented below:

Condensed Interim Consolidated Statements of Financial Position

As at	**December 31, 2017 (unaudited)**	**September 30, 2017 (audited)**
	$	**$**
Assets		
Current assets		
Cash & cash equivalents	742,962	1,165,415
Sales tax receivables	80,383	43,737
Prepaid expenses	98,481	67,381
Consulting and advisory services to be received	33,333	179,900
Advance to a director	55,007	20,562
Advance to a company controlled by a director	27,246	27,246
	1,037,412	1,504,241
Non-current assets		
Mining property acquisition costs	181,400	181,400
Exploration and evaluation expenses	829,238	651,622
Total assets	**2,048,050**	**2,337,263**
Liabilities		
Current liabilities		
Accounts payable and accruals	174,877	124,963
Provision	156,600	156,600
Income taxes payable	2,186	2,186
	333,663	283,749
Non-current liabilities		
Deferred income tax liabilities	31,025	31,025
Total liabilities	**364,688**	**314,774**
Shareholders' Equity		
Share Capital	3,578,059	3,578,059
Contributed surplus	793,550	450,570
Warrants	3,235	3,235
Deficit	(2,691,482)	(2,009,375)
Total shareholders' equity	**1,683,362**	**2,022,489**
Total liabilities & shareholders' equity	**2,048,050**	**2,337,263**

Cash and cash equivalents at December 31, 2017 were $742,962 compared to $1,165,415 at September 30, 2017. This difference is due to operating expenses occurred in the three-month period ending December 31, 2017; in this quarter, Auxico listed on the Canadian Securities Exchange and incurred additional professional fees in this regard.

The consulting and advisory services to be received relates to a share issuance in exchange for consulting and advisory services.

As at December 31, 2017, the Company had a contributed surplus of $793,550 (September 30, 2017 – $450,570). This is a non-cash charge associated with the value of options granted. In addition, as at December 31, 2017, the

Company had an amount of $3,235 under Warrants (September 30, 2017 – $3,235). This is a non-cash charge associated with the value of warrants issued.

As at December 31, 2017, there is a provision on the statement of financial position for $156,600 (September 30, 2017 – $156,600). The Company was served on March 8, 2017 with a legal proceeding from Telferscot Resources Inc. filed in the Superior Court of Quebec alleging that based on the Amendment to the Amalgamation Agreement signed June 30, 2016 and terminated January 5, 2017, a number of conditions would have not been met, and thus, the break-up fee is due and owing by the Company. The parties have agreed on and filed a case protocole. The exposure consists of the amount claimed in capital, interest and legal costs, which are limited to courts cost and fees and various disbursements but do not include counsel legal fees. The parties will also explore the possibility of an out of court settlement, as provided by the Quebec Code of civil procedure.

As of December 31, 2017, Auxico had working capital of $703,749, compared to working capital of $1,220,492 at September 30, 2017.

Under IFRS, the Company has chosen to capitalize all mining properties and exploration costs and assess the resulting asset for impairment on a periodic basis. Subsequent to the point of technical and economic feasibility, all costs must be evaluated against the capitalization criteria for property, plant and equipment and intangible assets. As at December 31, 2017, cumulative mining property acquisition costs and exploration and evaluation expenses incurred amounted to $1,010,638 (September 30, 2017 – $833,022). The details on these assets are presented below.

	Mining property acquisition costs	**Exploration and evaluation expenses**	**Total**
	$	**$**	**$**
Balance, as at Sep. 30, 2017 (audited)	181,400	651,622	833,022
Additions			
Exploration and evaluation expenses			
Geological	-	177,616	177,616
Balance, as at Dec. 31, 2017 (unaudited)	**181,400**	**829.238**	**1,010,638**

RESULTS OF OPERATIONS

For the three-month period ended December 31, 2017, the Company recorded a net loss and comprehensive loss of $682,107, compared to a net loss and comprehensive loss of $189,402 for the three-month period ended December 31, 2016. Details for the three-month periods ended December 31, 2017 and 2016 are presented below:

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three-month periods ended December 31	2017 $	2016 $	Variance $
Expenses			
Professional fees	230,853	71,774	159,079
Management fees	30,000	47,246	(17,246)
Legal fees	19,071	9,126	9,945
Travel expenses	22,104	16,176	5,928
Office expenses	1,334	1,436	(102)
Taxes and permits	2,770	-	2,770
Rent	9,000	23,741	(14,741)
Other expenses	6,729	-	6,729
Interest and bank fees	1,854	1,380	474
Stock-based compensation	342,980	-	342,980
Losses (gains) on foreign exchange	15,412	18,523	(3,111)
	682,107	189,402	492,705
Net loss and comprehensive loss	**(682,107)**	**(189,402)**	**(492,705)**
Loss per share	(0.019)	(0.008)	
Weighted average number of shares outstanding	35,810,000	23,927,283	

For the three-month period ended December 31, 2017, the expenses incurred are higher than the expenses incurred in the three-month period ended December 31, 2016. There are two reasons. First, the Company incurred additional professional fees in the quarter ending December 31, 2017 in connection with its listing on the CSE. Second, Auxico issued options and recognized a stock-based compensation expense of $342,980 in the quarter ended December 31, 2017. The stock-based compensation expense is a non-cash charge associated with the granting of options.

Auxico is a mining exploration company and currently has no mining operations to generate sales and revenues. The Company will have to rely on private placements of equity and/or debt in order to cover its operating expenses and geological work at the Zamora Property in Mexico.

CASH FLOWS AND LIQUIDITY

The following table outlines the Company's cash flows for the three-month periods ended December 31, 2017 and 2016:

Condensed Interim Consolidated Statements of Cash Flows

For the three-month periods ended December 31	2017 $	2016 $
Cash used in operating activities		
Net loss and comprehensive loss	(682,107)	(189,402)
Adjustments for:		
Deferred income tax (recovery) expenses	-	(7,597)
Stock-based compensation	342,980	-
Changes in non-cash working capital items		
Deposit for fixed assets acquisition	-	(221,752)
Sales tax receivable	(36,646)	(13,263)
Prepaid expenses	(31,100)	(1,179)
Consulting and advisory services receivable	146,567	-
Accounts payable and accruals	49,914	231,846
Income taxes payable	-	(1,004)
	(210,392)	**(202,351)**
Cash used in Investing activities		
Exploration and evaluation expenses	(177,616)	(1,510)
	(177,616)	**(1,510)**
Cash flows from financing activities		
Advance to shareholders	(34,445)	853
Advance to a director	-	7,500
Due to a company owned by a director	-	(42,215)
Proceeds from the issuance of shares	-	627,500
Issuance costs paid	-	-
	(34,445)	**593,638**
Increase (decrease) in cash and cash equivalents	(422,453)	389,777
Cash and cash equivalents, beginning of the period	1,165,415	7,542
Cash and cash equivalents, end of the period	**742,962**	**397,319**

For the three-month period ended December 31, 2017, Auxico used cash in the amount of $422,453, compared to an increase of cash of $389,777 for the three-month period ended December 31, 2016. This significant difference can be explained primarily by the private placements the Company concluded in the three-month period ended December 31, 2017. In the three-month period ended December 31, 2017, Auxico conducted geological work at the Zamora Property, whereas there was little activity in the three-month period ended December 31, 2016.

Cash used in operating activities amounted to $210,392 in the three-month period ended December 31, 2017, compared to cash used in operating activities of $202,351 for the three-month period ended December 31, 2016.

Exploration and evaluation expenses for the three-month period ended December 31, 2017 were $177,616, as compared to $1,510 for the three-month period ended December 31, 2016. These amounts relate to geological work at the Company's Zamora Property in Mexico.

In the three-month period ended December 31, 2016, the Company generated cash of $627,500 through the issuance of common shares by way of private placement. There was no such private placement in the three-month period ended December 31, 2017.

At December 31, 2017, the cash balances and working capital of the Company were positive. As a mining exploration company, Auxico does not currently generate any revenues from operations and relies on access to equity and debt financings to cover operational expenses and geological work at the Zamora Property.

CAPITAL STRUCTURE

Shares issued

At December 31, 2017, there were 35,810,000 issued and fully paid common shares.

Warrants

At December 31, 2017, the Company had 16,600 warrants issued and outstanding, in connection with the Company's private placement. These warrants have a strike price of $0.25 and expire on August 28, 2022.

Stock options

At December 31, 2017, there were 3,575,000 stock options issued and outstanding to consultants, officers and directors of the Company. These stock options have no vesting period and are described below.

Number of stock options	Expiry date	Strike price
2,475,000	February 9, 2022	$0.25
1,100,000	October 22, 2022	$0.40
3,575,000		

SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial information from the quarterly interim unaudited financial statements for the eight quarters ending December 31, 2017:

Quarter ending	**Dec. 31, 2017** $	**Sep. 30, 2017** $	**June 30, 2017** $	**Mar. 30, 2017** $
Revenue	-	-	-	-
Net loss	(682,107)	(737,189)	(194,031)	(719,514)
Net loss per share	(0.019)	(0.022)	(0.008)	(0.026)

Quarter ending	**Dec. 31, 2016** $	**Sep. 30, 2016** $	**June 30, 2016** $	**Mar. 30, 2016** $
Revenue	-	-	-	-
Net loss	(108,187)	(86,638)	(167,954)	(33,351)
Net loss per share	(0.005)	(0.004)	(0.007)	(0.002)

RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties include an entity with significant influence, companies owned by a director as well as key management personnel and a director. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. All balances of advances receivable and advances payable are measured at fair value and occurred in the normal course of business.

For the three-month period ended December 31 (unaudited)	2017 $	2016 $
Management fees		
Companies controlled by a director	-	17,246
Key management personnel and director	30,000	30,000
Share-based compensation		
Key management personnel and director	342,980	-
Rent	9,000	23,742
Company controlled by a director		

Amounts payable to related parties included in the non-current liabilities and in the accounts payable and accrued liabilities were as follows:

	As at	Amounts owed by related parties $
Key management personnel and director	December 31, 2017	55,007
	September 30, 2017	20,562
Companies controlled by a director	December 31, 2017	27,246
	September 30, 2017	27,246

COMMITMENTS AND CONTINGENCIES

Net Smelter Return Royalty ("NSRR")
The Company has a 100% undivided interest in the Zamora Property, pursuant to an assignment agreement signed on July 17, 2013 involving two vendors and Auxico Mexico. As per the terms of this agreement, the Zamora Property is subject to a 2% NSRR from proceeds of first-hand sale of product proceeds from the mining concessions on commencement of commercial production. Half of this NSRR can be purchased by the Company at any time for US$500,000.

Farm-out Agreement
Pursuant to the Farm-out Agreement signed on June 13, 2013, the consideration received of US$300,000 is repayable on a quarterly basis starting 60 days after the start of production of gold from the Zamora Property. The quarterly payments shall be equal to 7.5% of the net profits (after taxes) for each tranche of US$100,000 lent by the lender (75% for a consideration of US$1,000,000) until full repayment of the consideration.

After the consideration is fully repaid, the Lender will be entitled to receive, on a quarterly basis, an amount equal to 5% of the net profits (after taxes) for each tranche of US$100,000 lent by the Lender (50% for a consideration of US$1,000,000) until an amount equal to three times the amount of the consideration is received by the Lender. After, the Lender will be entitled to receive, on a quarterly basis, an amount equal to 2.5% of the net profits (after taxes) for each tranche of US$100,000 lent (25% for a consideration of US$1,000,000) thereafter for the life of the mine.

On October 17, 2016, the Company signed a Memorandum of Understanding ("MOU") with the Lender involved in the Farm-out Agreement mentioned above. Under the terms of the MOU, the Company has the option, but not the obligation, to cancel the Farm-out Agreement by paying to the Lender a total of US$400,000 in cash and by issuing a total of 1,000,000 common shares of the Company, upon or after the Company's listing on a registered Canadian stock exchange. The Company can exercise this option within 12 months of the signing of the MOU, or until October 16, 2017.

On April 7, 2017, in accordance with the MOU signed on October 17, 2016, the agreement was signed and provides that the Company will pay to the Lender a total of US$400,000 in cash on or before October 16, 2017 and will issue a total of 1,000,000 common shares of the Company at a price of $0.25 per share for a total consideration of $250,000 on or before October 16, 2017.

On September 26, 2017, an amending agreement was made to the Gold Loan Settlement Agreement signed April 7, 2017 in which the parties agreed to extend the repayment of the settlement to December 31, 2017.

On January 1, 2018, the Company signed a second amending agreement to the Gold Loan Settlement Agreement as described above. As repayment of the settlement, the Company will pay to the Lender a total of US$400,000 in cash payable on or before June 30, 2018 and a total of1,000,000 common shares of the Company.

RISKS AND UNCERTAINTIES

RISKS RELATED TO OUR BUSINESS:

Exploration Stage Mining Company with No History of Operation

The Company is in its exploration stage, has very limited operating history, and is subject to all the risks inherent in a new business enterprise. For example, to date the Company has had no revenues and has relied upon equity and debt financing to fund its operations. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Company will operate, such as under-capitalization, personnel limitations, and limited revenue sources.

Due to Its History of Operating Losses, the Company is Uncertain That It Will Be Able to Maintain Sufficient Cash to Accomplish Its Business Objectives

The Company incurred a net loss and comprehensive loss of $682,107 for the three-month period ended December 31, 2017. At December 31, 2017, there was shareholders' equity of $1,683,362 and working capital of $703,749. There is no assurance that the Company can generate net income, generate revenues or successfully explore and exploit its properties.

Significant amounts of capital will be required to continue to explore and then develop the Company's exploration projects. The Company is not engaged in any revenue producing activities and does not expect to do so in the near future. Currently, the Company's sources of funding consist of the sale of additional equity securities, borrowing funds, or selling a portion of its interests in its assets. There is no assurance that any additional capital that the Company will require will be obtainable on acceptable terms, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration and development of the Company's projects. Additional financing, if available, will likely result in dilution to existing stockholders.

Capital Requirements and Liquidity; Need for Subsequent Funding

Company management and its Board of Directors monitor the overall costs and expenses of the Company and, if necessary, adjust Company programs and planned expenditures in an attempt to ensure that the Company has sufficient operating capital. The Company continues to evaluate the costs and planned expenditures for its on-going exploration projects. Although the Company has raised significant capital in prior years, the continued exploration and development of its projects will require significant amounts of additional capital. As a result, the Company will need to raise additional capital so that it can continue to fund its planned operations. The uncertainties of the global economies and the volatile prices of gold and silver, combined with instability in capital markets, have impacted the availability of funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to the Company on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing stockholders. If the Company is unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, its business, financial condition and results of operations will be adversely impacted.

Disruptions in the Global Financial and Capital Markets May Impact the Company's Ability to Obtain Financing.

The global financial and capital markets have experienced on-going volatility and disruption. The Company continues to need further funding to achieve its business objectives. In the past, the issuance of equity securities has been the major source of capital and liquidity for the Company. The extraordinary conditions in the global financial and capital markets have currently limited the availability of this funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to the Company on acceptable terms, if at all. If the Company is unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, its business, financial condition and results of operations will be adversely impacted.

The Company's Exploration Activities Require Significant Amounts of Capital that May Not Be Recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that the Company's activities will ultimately lead to an economically feasible project or that it will recover all or any portion of its investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further the Company's exploration efforts, as well as operating and other costs. The cost of minerals exploration is often uncertain and cost overruns are common. The Company's drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond its control, including title problems, weather conditions, compliance with governmental requirements and shortages or delays in the delivery of equipment and services.

Risks Inherent in the Mining Industry

The Company is subject to all of the risks inherent in the minerals exploration and mining industry and including, without limitation, the following: competition from a large number of companies, many of which are significantly larger than the Company, in the acquisition, exploration, and development of mining properties; the Company might not be able raise enough money to pay the fees, taxes and perform labor necessary to maintain its concessions in good force; exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization; the Company's exploration projects may not result in the discovery of commercially mineable deposits of ore; the probability of an individual prospect ever having reserves that meet regulatory requirements is extremely remote, or the properties may not contain any reserves, and any funds spent on exploration may be lost; the Company's operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection control and the Company may not be able to comply with these regulations and controls; and a large number of factors beyond the control of the Company, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

<u>THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:</u>

Fluctuating Price for Metals

The Company's operations will be greatly influenced by the prices of commodities, including gold, silver, and other metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including interest rates, expectations for inflation, speculation, currency values, in particular the strength of the United States dollar, global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Title to the Company's Mineral Properties May be Challenged

The Company attempts to confirm the validity of its rights to title to, or contract rights with respect to, each mineral property in which it has a material interest. However, the Company cannot guarantee that title to its properties will not be challenged. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects and the actions or inactions of underlying property owners or holders. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Risks Inherent With Foreign Operations

The Company's operations are currently conducted in Mexico, and as such the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico may adversely affect the operations or potential profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of the Company.

Environmental Controls

Compliance with statutory environmental quality requirements may necessitate significant capital outlays, may materially affect the earning power of the Company, or may cause material changes in the Company's intended activities. The Company's exploration operations require compliance with local and federal regulations. No assurance can be given that environmental standards imposed by either federal or state governments will not be changed or become more stringent, thereby possibly materially adversely affecting the proposed activities of the Company. In addition, if the Company is unable to fund fully the cost of remediation of any environmental condition, it may be required to suspend operations or enter into interim compliance measures pending completion of the required remediation.

Availability of Outside Engineers and Consultants

The Company is heavily dependent upon outside engineers and other professionals to complete work on its exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. The Company closely monitors its outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on the Company's exploration projects or result in higher costs to keep personnel focused on its project.

Operational Hazards; Uninsured Risks

The Company is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, reduced productivity and delays in exploration, asset write-downs, monetary losses and possible legal liability. The Company may not be insured against all losses or liabilities, which may arise from operations, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with the Company's exploration activities as described above could negatively affect its results of operations and the price of its common stock.

Need for Additional Key Personnel; Reliance on Officers and Directors

The Company relies in large part on the personal efforts of its officers and directors. The success of the Company's proposed business will depend, in part, upon the ability to attract and retain qualified employees. The Company believes that it will be able to attract competent employees, but no assurance can be given that the Company will be successful in this regard. If the Company is unable to engage and retain the necessary personnel, its business would be materially and adversely affected.

RISKS RELATED TO OUR COMMON STOCK:

Our Stock Price Can Be Extremely Volatile

The common shares of the Company began trading on the Canadian Securities Exchange on October 17, 2017. The trading price of our common stock has been and could continue to be subject to wide fluctuations in response to announcements of our business developments and drill results, progress reports, the metals markets in general, and other events or factors. In addition, stock markets have experienced extreme price volatility in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. Such broad market fluctuations may adversely affect the price of our common stock.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Dated this 1st day of March, 2018

"signed"
Mark Billings
President

"signed"
Jacques Arsenault
Chief Financial Officer