Overview

The following covers the operations of Four Nines Gold Inc. (the "Company" also referred to as "Four Nines") for the six months ended July 31, 2017 prepared as of September 28, 2017. This management discussion and analysis ("MD&A") should be read in conjunction with the Company's unaudited interim condensed financial statements for the six months ended July 31, 2017. These documents are available for viewing on SEDAR at www.sedar.com. All dollar amounts therein and in the following MD&A are in Canadian dollars unless otherwise indicated. These financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Forward-Looking Statements

This MD&A contains certain statements that may be deemed "forward-looking statements". All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward - looking statements. Factors that could cause the actual results to differ materially from those in the forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

Description of Business

The Company is a junior resource company engaged in the acquisition, exploration and development of gold properties in the Yukon, Canada. The Company was incorporated on March 19, 2015 under the name "Hornby Acquisition Ltd." pursuant to the *Business Corporations Act* (British Columbia). On April 20, 2016, the Company changed its name to "Eureka Dome Gold Inc." and on November 30, 2016 the Company changed its name to "Four Nines Gold Inc.".

On August 24, 2017; the Company announced it had completed its initial public offering of 7,500,000 units (the "Units"), each Unit compromising one common share of the Company and one-half common share purchase warrant (each whole warrant, a "Warrant") of the Company, at a price of $0.10 per Unit for gross proceeds of $750,000 (the "Offering") with each Warrant exercisable into one share for a period of 24 months following the closing of the Offering at a price of $0.20 in the first year and $0.30 in the second year. The Company commenced trading on the CSE on August 31, 2017 under the symbol "FNAU".

PI Financial Corp. (the "Agent") acted as the Company's agent in connection with the Offering. Pursuant to the Offering, the Agent received a cash commission, a corporate finance fee and 525,000 compensation options, each option exercisable into one Four Nines Share for a period of 24 months following the Listing Date, at a price of $0.20 in the first year and $0.30 in the second year.

Officers and Directors

Jim Mustard, CEO and a Director, is an experienced capital market and mining professional, bringing over 30 years of expertise in business and project development to the Company. Jim was most recently VP of Investment Banking at PI Financial Corp. Prior to that he was the President and a director of Canada Zinc Metals and before that, was the VP and Senior Mining Analyst at Haywood Securities Inc. for 11 years. He has also worked for Barrick Gold, Eldorado Gold, Amax of Canada, Canada Tungsten Mining, the Government of Canada and Cyprus Anvil. Jim is a registered Professional Engineer with the Association of Professional Engineers and Geoscientists of BC.

Casey Forward, CPA, CGA, is CFO and a Director of the Company. He is currently a director and CFO of Canadian International Minerals Inc. and is a director and CFO of LeenLife Pharma International Inc. He was previously the CFO of Niocorp Developments Ltd. Over the past 30 years Mr. Forward has served as director of several other public and private companies.

Chris Verrico, Director, has over 30 years of experience within the mining industry and he has been a director of approximately one dozen resource startup companies, most of which proceeded to list on the TSX Venture Exchange. Mr. Verrico was the CEO of Aguila American Gold Ltd. from February, 2011 until November, 2013 and prior to that, he was a director and CEO of Lateegra Gold Corp. Earlier, Mr. Verrico was the CEO and Co-Chairman of West Hawk Development Corp. from January, 2005 to July, 2008.

Ryan Cheung, CPA, CA, Director, is founder of MCPA Services Inc. Chartered Professional Accountants. In addition to running a public accounting practice, Mr. Cheung has historically served and currently serves as a director and/or officer of various Canadian listed entities specifically in mining and junior exploration.

Exploration and evaluation assets

The Company entered into a Property Option Agreement dated September 12, 2016, as amended February 7, 2017, with Pacific Ridge Exploration Ltd. (the "Optionor"), whereunder the Company was granted an irrevocable and exclusive option to acquire an initial 51% interest in the Property (the "**First Option**") and thereafter, upon the Company exercising the First Option and earning a 51% interest in the Property by completing all of the requirements of Section 3.2 of the Property Option Agreement (as set out below), the Company has to right to, within 60 days of the completion of such requirements, to proceed to exercise the Second Option (as defined below) by giving notice in writing to the Optionor that Company intends to proceed to exercise the Second Option, whereupon the Optionor thereby will conditionally grant to the Company the exclusive right and option to earn an additional undivided 19% right, title and interest in the Property (the "**Second Option**") on the terms as set out following the First Option terms below, which terms the Company must comply with to maintain the Second Option in good standing and to exercise the Second Option and earn an additional 19% interest in the Four Nines Gold Inc. (formerly known as Eureka Dome Gold Inc.)

Property.

The Property consists of (1311) contiguous mineral claims comprising an aggregate 27,000 hectares, located in the in the White Gold district, Yukon Territory, the particulars of which are described in greater detail below.

(Expressed in Canadian Dollars)

To exercise the First Option, pursuant to the terms of the Property Option Agreement, the Company agreed to, over a four-year period: (a) make cash payments to the Optionor in the aggregate amount of $200,000; (b) issue the Optionor 1,000,000 Common Shares and 150,000 common share purchase warrants and (c) incur $2,450,000 in exploration expenditures on the Property, in accordance with the following schedule:

Date for Completion	Cash Payment	Number of Common Shares and Warrants to be Issued[(1)]	Minimum Exploration Expenditures to be Incurred
Within 5 business days following the execution of the Property Option Agreement	$10,000 (paid)	Nil	Nil
Within 5 business days following the Listing Date	Nil	100,000 Common Shares 100,000 Warrants	Nil
On or before December 31, 2016	$10,000 (paid)	Nil	$50,000 (completed)
On or before December 31, 2017	$20,000	100,000 Common Shares 50,000 Warrants	$250,000
On before December 31, 2018	$30,000	250,000 Common Shares	$400,000
On or before December 31, 2019	$50,000	250,000 Common Shares	$750,000
On or before December 31, 2020	$80,000	300,000 Common Shares	$1,000,000
TOTAL	**$**200,000	1,000,000 Common Shares 150,000 Warrants	**$**2,450,000

(1) Subject to such resale restrictions and legends as may be imposed by the applicable securities laws.

To exercise the Second Option, pursuant to the terms of the Property Option Agreement, the Company agreed to, over a further two-year period: (a) make cash payments to the Optionor in the aggregate amount of $200,000; (b) issue the Optionor 500,000 Common Shares; and (c) incur $2,500,000 in exploration expenditures on the Property, in accordance with the following schedule:

Date for Completion	Cash Payment	Number of Common Shares and Warrants to be Issued[(1)]	Minimum Exploration Expenditures to be Incurred
On or before December 31, 2021	$100,000	250,000 Common Shares	$1,250,000
On before December 31, 2022	$100,000	250,000 Common Shares	$1,250,000
TOTAL	**$**200,000	500,000 Common Shares	**$**2,500,000

(1) Subject to such resale restrictions and legends as may be imposed by the applicable securities laws.

In accordance with the terms of the Property Option Agreement:

1. there is an existing 2% net smelter returns royalty (the "**NSR**") on the Property pursuant to an agreement

(Expressed in Canadian Dollars)

between the Optionor and Tintina Syndicate dated October 28, 2009, as amended November 4, 2010 and October 1, 2014, held by the Tintina Syndicate subject to the Optionor's right to purchase 50% thereof for $1 million which is subject to an assignment agreement between the Optionor and Sandstorm Gold Ltd. ("**Sandstorm**") dated June 16, 2015 (the "**Sandstorm Agreement**"), where the Optionor assigns Sandstor its right to purchase 50% of the NSR for $1 million;

2. the Company is the operator of the Property for the duration of the Option Agreement; and

3. In the event that either the Company or the Optionor acquires, after the date of the Property Option Agreement, directly or indirectly, any interest in any new property which has mineral claims within a two kilometre radius of the outer boundary of the Property (an "**AOI Property**"), the acquiring party must disclose this acquisition promptly to the other party and the acquiring party's entire AOI Property shall form part of the Property and become subject to the terms of the Property Option Agreement.

Property Location and History

The Property is located approximately 120 km south-southeast of Dawson City, and 310 km northwest of Whitehorse, Yukon Territory. Dawson City is 538 km by paved highway north of Whitehorse, Yukon Territory. The Property, consisting of 1311 contiguous claims within the Dawson Mining District, covers the headwaters of the placer producing Scroggie Creek, just west of Pyroxene Mountain within the unglaciated Yukon Plateau. The Property is accessible by fixed wing aircraft and winter road, and lies proximal to the proposed road access from Dawson City to the Coffee deposit.

The property is centered at a latitude and a longitude of 63°00'N, 138 32'W.

Placer activity by others in the Mariposa Property area dates back to 1898 when gold was first discovered in Scroggie and Mariposa Creeks. The first mechanized placer mining began in the mid 1950's, while large scale mechanized mining began in 1980 and has continued uninterrupted until present.

Documented exploration on the Mariposa Property, undertaken from 1987 to 2016, has included mapping over 30% of the property, prospecting, approximately 12,800 soil samples (covering about 35% of the property), hand and mechanized trenching (about 3,263m in 21 trenches), 965m of geoprobe (bedrock interface) sampling, a 910 line km airborne magnetic survey (covering about 40% of the property) and ground magnetic (310 km), VLF-EM (113.5 km) and IP/resistivity (4.62 line km) geophysical surveys, 8,636m of diamond drilling in 54 holes (one was lost) and 653m of RAB drilling in 12 holes. In addition, a trenching and prospecting program was completed in the fall of 2016 by Four Nines (see below).

Work Completed by Four Nines

As part of the work commitment by Four Nines under the Property Option Agreement, the following work was completed in the fall of 2016:

Trenching

A total of 734m of excavator trenching was conducted by Four Nines on the Mariposa Property in five trenches between September 24 and October 2, 2016. Trench specifications are summarized in the Table below.

2016 trench specifications

Trench No.	Target	Easting*	Northing*	Az. (°)	Length	Samples

MPTR16-01	Hackly Breccia	628733	6988941	180	117	25
MPTR16-02	Hackly Breccia	628697	6988938	215	130	28
MPTR16-03	Skookum West	623900	6989358	155	150	15
MPTR16-04	Skookum West	623795	6989288	155	153	11
MPTR16-05	Skookum West	623666	6988963	170	184	38
TOTAL		*NAD 83, UTM zone 7			**734**	**117**

A total of 117 samples were collected from the trenches, including 8 grab samples. The trenches were measured out using a 50m tape and marked at 5m intervals. Due to the broken nature of the rock, samples, weighing approximately 3 to 4 kg over each 5m interval, consisted of approximately 40-50 split pieces (using a rock hammer) of rock fragments of variable sizes collected continuously from along the bottom of the trench over each 5m interval. One blank and one standard quality assurance and quality control samples were randomly inserted for each trench and several select grab samples of specific interesting mineralization were collected, such as silicified zones, quartz veins and breccias. Trench results are summarized below.

Significant 2016 trench results

Hole	From(m)	To(m)	Length(m)	Au(g/t)	Zone
MPTR16-01	55	110	55	0.42	Hackly Breccia
includes	65	110	45	0.49	
includes	75	85	10	1.10	
MPTR16-02	105	130	25	0.16	Hackly Breccia
includes	125	130 end	5	0.36	
grab	129	129	grab	2.87	
MPTR16-03	20	40	20	0.38	Skookum West
includes	25	35	10	0.57	
grab	32	32	grab	10.	
MPTR16-04	25	45	20	0.60	Skookum West
includes	35	40	5	1.64	
grab	33	33	grab	1.91	
MPTR16-05	0	105	105	0.11	Skookum West
includes	45	50	5	0.50	

NB: the strike and dip of the zones are not known, so true widths cannot be determined

Two trenches (MPTR16-01 and -02) targeted the Hackly Breccia zone which was discovered in 2012, returning 11.7 and 1.6 g/t Au from grab samples of quartz breccia boulders with galena. A limonitic silicified zone ±pyrite was intersected in MPTR16-01 just downslope of the breccia boulders from 55 to 110m, which returned anomalous gold of 0.42 g/t Au over 55m, including a quartz breccia-vein zone with galena, which returned 1.10 g/t Au over 10m from 75 to 85m. The mineralized zone is hosted by the felsic orthogneiss just below the contact with mafic hornblende-biotite gneiss.

Trench MPTR16-02 intersected the felsic orthogneiss throughout most of the trench, with minor limonite and silicification, but minor quartz breccia was only found at the end of the trench. The end of the trench returned 0.16 g/t Au over 25m, including 0.36 g/t Au over 5m. A grab sample from 129m returned 2.87 g/t Au. The zone appears to trend about 250°, just south of MPTR16-02 towards a 282.2 ppb Au soil anomaly, 600m to the west-southwest. This trend is the same as that for the Skookum Main zone, and typical within the White Gold district.

Two trenches (MPTR16-03 and -04) targeted an east-northeast trending quartz breccia zone in the northern Skookum West zone, on either side of a small trench (SWTR12-09) that returned 0.9 g/t Au over 20m. A trench (12SJ-12) 50m to the east-northeast of MPTR16-03 returned 1.5 g/t Au over 10m, ending in mineralization. The entire trenches were not sampled due to lack of mineralization and alteration in the lower portions. Trench

MPTR16-03 intersected amphibolite (mafic hornblende gneiss – probable metavolcanic) throughout the trench, with minor limonite, silicification and quartz breccia. The trench returned anomalous values of 0.38 g/t Au over 20m from 20 to 40m, including 0.57 g/t Au over 10m. A grab sample of quartz breccia at 32m with malachite and azurite staining and fine chalcopyrite stringers returned 10.8 g/t Au with 0.42% Cu, 20.7 g/t Ag and anomalous tellurium and mercury. Possible trend was 330°/80°W.

Trench MPTR16-04, 125m southwest of MPTR16-03, intersected biotite schist (probable metasedimentary rocks) throughout the trench, with limonite, silicification and minor quartz veins from 0 to 50m. The trench returned anomalous values of 0.60 g/t Au over 25m from 20 to 45m, including 1.64 g/t Au over 5m. The latter interval corresponds to a black quartz feldspar porphyry dyke with quartz breccia. A similar grab sample near this interval with galena carried 1.91 g/t Au.

Trench MPTR16-05 targeted the east-northeast trending southern Skookum West zone between small Candig trenches (SWTR12-07) that returned 0.7 g/t Au over 30m (SWTR12-07) and 1.4 g/t Au over 40m (SWTR12-07). The trench intersected mixed lithologies with felsic orthogneiss at the top of the trench, followed by biotite schist, then amphibolite. Silicification and limonite with minor quartz veins are patchy throughout most of the trench, from 0 to 115m. The quartz rich zones returned anomalous values of 0.11 to 0.50 g/t Au over 5m intervals, including at the start of the trench. The trench returned 0.109 g/t Au over 105m.

Prospecting

During the trenching program prospecting was conducted over the Hackly Breccia zone with the collection of six samples for analysis. The Hackly Breccia boulders consist of two 1m sized boulders that appear to originate from upslope. The 2016 trenching returned anomalous results from downslope of the boulders. The site of the 282.2 ppb Au soil anomaly was located and a pit dug to expose subcrop (sample 1502320). Minor quartz chips were found in possible orthogneiss with some possible quartz feldspar porphyry. The 250° – 70° trending extent of the breccia zone was also prospected, as well as along the low ridge above the Hackly Breccia. Possible subcrop of quartz breccia was found downhill. No significant values were obtained from the samples collected.

Discussion of Results and Recommendations

Based on the favourable geological setting and recent positive trench results within the White Gold district, widespread gold-bearing quartz vein, stockwork and breccia style mineralization associated with east-northeasterly and lesser northwesterly and possibly northerly structures, hosted by orthogneiss and other metamorphic rocks of the Yukon-Tanana terrane; favourable albite-ankerite-limonite(±pyrite)-sericite alteration; association of gold with anomalous bismuth, tellurium, molybdenum, mercury, silver, antimony, lead ±copper, ±arsenic; presence of open and untested targets and strongly similar characteristics to the orogenic type of gold mineralization within the White Gold district, further work is recommended on the Mariposa Property.

A Phase 1 and Phase 2 exploration program has been recommended by Four Nines' QP. Phase I is proposed to consist of core relogging and select property and structural mapping, excavator trenching, geoprobing, prospecting and minor soil sampling. Phase 2 is proposed to consist of diamond drilling program designed to test significant targets at the Skookum Main showing and to follow up significant trench intersections and soil anomalies from Phase 1.

Proposed Budget

(Expressed in Canadian Dollars)

Based on the above recommendations, a contingent two phase exploration program with corresponding budget is proposed. Phase 2 is entirely contingent on results from Phase 1. Phase 1 (1,500 m of diamond drilling) is budgeted at $250,000 and Phase 2 is budgeted at $500,000

Discussion

Management is of the opinion that work to date on the Mariposa Project by both itself and by previous operators provides a solid justification for further exploration efforts. The Company intends to carry out the recommended Phase 1 program and will, subject to available funding and favourable results from Phase 1, undertake to complete the Phase 2 program.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters.

For the quarter ended	**July 31, 2017**	**April 30, 2017**	**January 31, 2017**	**October 31, 2016**
Net and comprehensive loss	$7,835	($18,015	($13,213)	($21,282)
Loss per share – basic and diluted	($0.00)	($0.00)	($0.00)	($0.01)
For the quarter ended	**July 31, 2016**	**April 30, 2016**	**January 31, 2016**	**October 31, 2015**
Net and comprehensive loss	($40)	($12)	($39)	($10)
Loss per share – basic and diluted	($0.00)	($0.00)	($0.00)	($0.00)

Factors causing Variance for each Quarter

Operations for the quarter ended July 31, 2017

The gain for the quarter ended July 31, 2017 was $7,835 compared to a loss of $28 for the quarter ended July 31, 2016. The change was caused by the reclassification of legal expense for $10,000 to deferred finance fees. The legal fees were incurred in regards to the prospectus which in due course will be an issue cost. Significant cost variances are as follows:

- Filing fees of $1,783 were incurred in Q2 2018 compared to $Nil in Q2 2017 for costs associated with the preparation of the Company to list on the CSE.
- Legal fees of $344 were incurred in Q2 2018 compared to $Nil in Q2 2017 for costs related to listing of the Company's stock on the CSE.

Operations for the quarter ended April 30, 2017

The loss for the quarter ended April 30, 2017 was $18,015 compared to $12 for the quarter ended April 30, 2016. The increase was mainly due to increases in filing fees and legal fees. Significant cost variances are as follows:

- Filing fees of $6,927 were incurred in Q1 2018 compared to $Nil in Q1 2017 for costs associated with the preparation of the Company to SEDAR file prospectus documents.
- Legal fees of $11,000 were incurred in Q1 2018 compared to $Nil in Q1 2017 for costs related to the preliminary prospectus.
- Bank charges of $88.

4th Quarter ended January 31, 2017

Audit estimate - $8,000, Legal expense - $2,456, Bank charges - $19, General exploration - $2,738.

3rd Quarter ended October 31, 2016

Legal expenses - $20,743, Office expense –$341, Bank charges - $198

2nd Quarter ended July 31, 2016

Bank charges for $40.

1st Quarter ended April 30, 2016

Bank charges for $12.

4th Quarter ended January 31, 2016

Bank charges for $39.

3rd Quarter ended October 31, 2015

Bank charges for $10.

Liquidity and Capital Resources

The Company had cash of $26,908 at July 31, 2017, compared to $106,112 at January 31, 2017. The Company had a working capital deficiency of $45,449 at July 31, 2017 compared to working capital of $22,472 as at January 31, 2017.

For the six months ended July 31, 2017

Nil

For the year ended January 31, 2017

The Company completed a private placement consisting of 2,216,500 shares at a price of $0.05 per share.

None of the Company's mineral properties have been put into commercial production and, as such, the Company has no operating revenues or cash flows. The Company will be required to complete additional financings in order to carry out its business plan. The Company's capital resources are largely determined by the strength of the junior resource capital markets and by the status of the Company's projects in relation to these markets and the Company's ability to compete for investor support of its projects. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the future.

Capital Expenditures

During the period ended July 31, 2017, the Company incurred $18,686 of mineral property option and exploration expenditures as compared with $68,091 spent during the year ended January 31, 2017.

Related Party Transactions

As at July 31, 2017, accounts payable and accrued liabilities include an amount of $nil (January 31, 2017 - $1,500) due to a director of the Company.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimates of recoverable value of its mineral properties and related deferred expenditures as well as the value of stock-based compensation. These estimates involve considerable judgment and are, or could be, affected by factors beyond the Company's control. The factors affecting stock-based compensation include estimates of when the stock options might be exercised and the stock price volatility.

The Company's recoverability of the recorded value of its mineral properties and associated deferred expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves and the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds of disposition thereof.

The assessment of the Company's ability to continue as a going concern requires significant judgment.

Standards, Amendments and Interpretations Not Yet Adopted

The Company is in the process of evaluating the impact of the new standards and amendments.

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 Leases replaces IAS 17 – Leases and requires lessees to account for leases on the statement of financial position by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted.

The amendments to IFRS 2 clarify vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The amendment is effective for share based payment transactions for which the grant date is on or after July 1, 2014.

The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity.

Financial Instruments and Risks

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 11 of the financial statements.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred, and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's has no interest-bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest rate risk

The Company has cash and no interest-bearing debt.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign currency rate fluctuations.

Price risk

The Company is exposed to price risk with respect to commodity and 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit risk

Financial instruments that potentially expose the Company to credit risk are cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

At July 31, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 26,908	$ -	$ -	$ 26, 908

At January 31, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 106,112	$ -	$ -	$ 106,112

(Expressed in Canadian Dollars)

Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

SUBSEQUENT EVENTS

On August 24, 2017; the Company announced it had completed its initial public offering of 7,500,000 units (the "Units"), each Unit compromising one common share of the Company and one-half common share purchase warrant (each whole warrant, a "Warrant") of the Company, at a price of $0.10 per Unit for gross proceeds of $750,000 (the "Offering") with each Warrant exercisable into one share for a period of 24 months following the closing of the Offering at a price of $0.20 in the first year and $0.30 in the second year. The Company commenced trading on the CSE on August 31, 2017 under the symbol "FNAU".

PI Financial Corp. (the "Agent") acted as the Company's agent in connection with the Offering. Pursuant to the Offering, the Agent received a cash commission, a corporate finance fee and 525,000 compensation options, each option exercisable into one Four Nines Share for a period of 24 months following the Listing Date, at a price of $0.20 in the first year and $0.30 in the second year.

Disclosure of Outstanding Share Capital

The Company's outstanding share capital as at September 28, 2017 is as follows:

Common shares

Balance, July 31, 2017	4,854,500
Issued – IPO	7,500,000
Issued - Property	100,000
Balance, September 28, 2017	12,454,500

Options

Balance, July 31, 2017	Nil
Balance, September 28, 2017	

Warrants

Balance, July 31, 2017	Nil
IPO warrants	3,750,000
Agent's warrants	525,000
Balance, September 28, 2017	4,275,000