

**FORESHORE EXPLORATION PARTNERS CORP.**  
**(A Capital Pool Company)**  
**Management Discussion and Analysis**  
**For the three months ended January 31, 2019**

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**Date: April 1, 2019**

**General**

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Foreshore Exploration Partners Corp. ("Foreshore" or the "Company") financial statements for the period ended January 31, 2019. The discussion should be read in conjunction with the unaudited financial statements of the Company and the accompanying notes for the three months ended January 31, 2019 and unaudited interim financial statements of the Company and the accompanying notes for the period ended January 31, 2019. The interim financial statements, together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 1, 2019. The information contained within this MD&A is current to April 1, 2019.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

**Forward-Looking Statements**

Certain statements contained in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Such forward-looking statements involve a number of 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 anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth herein.

**Description of Business and Overview**

Foreshore Exploration Partners Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 12, 2017 and is a Capital Pool Company under the policies of the TSX Venture Exchange (the "Exchange").

The company's common shares were listed for trading on the TSX-V under the trading symbol FORE.P.

On May 29, 2018, the Company completed its initial public offering of 2,150,000 common shares issued at a price of \$0.10 per share, pursuant to a prospectus dated March 21, 2018 ("Offering").

Upon completion of the Offering, the principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a "Qualifying Transaction" as it is defined in

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the policies of the Exchange. The Company has commenced the process of identifying potential acquisitions. There is no assurance that the Company will identify and complete a Qualifying Transaction within the time period described by the policies of the Exchange. Moreover, even if a potential Qualifying Transaction is identified by the Company, it may not meet the requirements of the Exchange. The net proceeds from the seed funds described at Note 4 will only be sufficient to identify and evaluate a limited number of assets and businesses and additional funds may be required to finance the Company's Qualifying Transaction.

The Company has no source of operating revenue, has incurred a net loss since inception and as at January 31, 2019 has a deficit of \$177,277 (January 31, 2018 - \$34,324). Its continued existence will be dependent on the receipt of related party debt or equity financing on terms which are acceptable to the Company.

The head office, principal and registered address and records office of the Company are located at Suite 2080, 777 Hornby Street, Vancouver, British Columbia V6Z 1S4.

On June 7, 2018, the Company entered into a binding letter agreement with POSaBIT, Inc. ("POSaBIT") whereby the Company will acquire all of the issued and outstanding securities of POSaBIT by way of a share exchange, amalgamation or such other form of business combination as the parties may determine

Pursuant to the Transaction, the Company will issue common shares in the capital of Foreshore ("Foreshore Shares") to the holders of common shares in the capital of POSaBIT ("POSaBIT Shares") on the basis of approximately 1.7540 Foreshore Shares for each POSaBIT Share. It is anticipated that approximately 68,000,000 Foreshore Shares will be issued pursuant to the Transaction based on the current capital structure of POSaBIT. The Transaction is an arm's length transaction. Upon the completion of the Transaction, it is expected that POSaBIT will become a wholly-owned subsidiary of the Company.

On December 14, 2018, the Company entered in to a definitive merger agreement for a QT with POSaBIT whereby the Company will acquire all of the issued and outstanding securities of POSaBIT by way of an amalgamation. Pursuant to the Transaction, the Company will issue Foreshore Shares to the holders of POSaBIT Shares on the basis of approximately 1.7540 Foreshore Shares for each POSaBIT Share.

Upon the successful completion of the Transaction, the merged entity (the "Resulting Issuer") will be deemed to be a continuation of POSaBIT and it is anticipated that the Resulting Issuer will delist from the TSXV, and then apply to be listed on The Canadian Securities Exchange ("CSE").

On December 20, 2018, the Company filed a non-offering preliminary prospectus in the Provinces of Alberta, British Columbia and Ontario pursuant to which it intends to list on the CSE.

**SUMMARY OF FINANCIAL RESULTS**

	<b>Three months ended January 31,</b>	
	<b>2019</b>	<b>2018</b>
Total Revenue	\$ Nil	\$ Nil
Loss for the Period	41,981	33,922
Total Assets	151,059	80,724
Total Liabilities	\$ 19,605	\$ 10,048

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**Operating Results, Financial Condition and Liquidity**

**Financial Condition**

At January 31, 2019, the Company had current assets of \$151,059 (January 31, 2018 - \$80,724). Current liabilities were \$19,605 (January 31, 2018 - \$10,048).

**Operating Results**

The Company has not generated revenue for the three months ended January 31, 2019 and expenses incurred include, bank charges of \$121, legal fees of \$19,357, professional fees of \$9,253, and transfer and filing fees of \$13,250.

**Selected Quarterly Information**

<b>Quarter ended</b>	<b>January 31, 2018</b>	<b>October 31, 2018</b>	<b>July 31, 2018</b>	<b>April 30, 2018</b>
	\$	\$	\$	\$
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	41,981	34,132	53,534	13,306
Loss per Share	0.01	0.02	0.04	0.01
Total Assets	151,059	173,683	207,815	57,618
Total Liabilities	19,605	248	248	10,048

**Capital Resource and Liquidity**

At January 31, 2019, cash was \$151,059 (January 31, 2018 - \$80,724). The Company has been reliant on financial assistance from equity financing. As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company has \$19,605 in short term liabilities (January 31, 2018 – \$10,048). Management has evaluated that the Company will be required to raise additional equity capital or other borrowings to be able to pay its liabilities and finance operating costs. The ability to raise sufficient funding cannot be determined at this time which creates a material uncertainty that casts doubt about the Company's ability to continue as a going concern.

**Share Capital**

**Issued**

The Company has 4,250,000 common shares outstanding as at January 31, 2019 and April 1, 2019.

On October 2017, the Company issued, by private placement 2,100,000 shares at a price of \$0.05 per share for gross proceeds of \$105,000. All of these issued shares are subject to escrow restrictions and will be released from escrow in tranches over 36 months from the date of issuance of the Final Exchange Bulletin.

On May 29, 2018, the Company completed its initial public offering of 2,150,000 common shares issued at a price of \$0.10 per share, pursuant to a prospectus dated March 21, 2018, for gross proceeds of \$215,000. A total cash commission of \$38,598 was paid to the Company's agent, Haywood Securities Inc. In addition, the agent received 43,000 non-transferable warrants to acquire up to 43,000 shares at a price of \$0.10 per share for a period of two years. These finder warrants were valued \$2,585 using the Black-Scholes Option Pricing Model. The Company also granted 300,000 incentive options to its directors, officers and certain

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technical consultants, as outlined in the prospectus, exercisable at a price of \$0.10 per share for a period of five years, vesting immediately.

Finder's Warrants

The Company has 43,000 finder's warrants outstanding as at January 31, 2019 and April 1, 2019.

Stock Options

The Company has 300,000 stock options outstanding as at January 31, 2019 and April 1, 2019.

Escrow Shares

The Company has 2,100,000 shares held in escrow as at January 31, 2019 and April 1, 2019.

**Related Party Transactions**

As of January 31, 2019, the Company owed \$248 to directors and officers for expenses incurred for the Company.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Critical Accounting Policies and Estimates**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Note 2 to the financial statements discusses these critical accounting policies.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

*Financial assets*

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held-for-trading or is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future, it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. The Company has no assets included in this category.

Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a

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lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value less transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has no assets included in this category.

Available-for-sale

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss. The Company has no assets included in this category.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity are classified as held-to-maturity. Financial assets classified as held-to-maturity are measured at amortized cost using the effective interest method.

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets. The Company has no assets included in this category.

*Financial liabilities*

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Accounts payable and accrued liabilities are included in this category.

**Business Risk and Uncertainties**

The Company, like all companies in the mining sector, is exposed to a variety of risks which include title to mining interests, the uncertainty of finding and acquiring reserves, funding and developing those reserves

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and finding storage and markets for them. In addition there are commodity price fluctuations, interest and exchange rate changes and changes in government regulations. The mining industry is intensely competitive and the Company must compete against companies that have larger technical and financial resources. The Company works to mitigate these risks by evaluating opportunities for acceptable funding, considering farm-out opportunities that are available to the Company, operating in politically stable countries, aligning itself with joint venture partners with significant international experience and by employing highly skilled personnel. The mining industry is subject to extensive and varying environmental regulations imposed by governments relating to the protection of the environment and the Company is committed to operate safely and in an environmentally sensitive manner in all operations. Please also refer to Forward Looking Statements.

**Management's Responsibility for Financial Information**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

**Subsequent Events**

No subsequent events.