Discovery Harbour Resources Corp.

Management Discussion and Analysis

For the period ending March 31, 2017

1.1 DATE OF REPORT May 05, 2017

1.2 OVERALL PERFORMANCE

General

The following Management Discussion and Analysis of Discovery Harbour Resources Corp. ("The Company" or "Discovery Harbour") (formerly CVC Cayman Ventures Corp.) has been prepared as of May 05, 2017, should be read in conjunction with the audited financial statements for the years ended September 30, 2016 and 2015 and related notes attached thereto, which are prepared in accordance with IFRS.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

Description of Business

The Company is a mineral exploration company building a diversified project/investment portfolio of quality assets in low risk jurisdictions. The Company has assembled a management team and Board of Directors with the knowledge and experience required to advance exploration successes through to development and production. The Company takes a broad view with respect to the acquisition of projects of merit. However, the methods employed to obtain an interest in or ownership of projects of significance is limited by the financial resources the Company can bring to bear on each project and its ability to negotiate acquisition agreements on reasonable terms.

Forward Looking Information

Certain statements in this Management Discussion and Analysis constitute forward-looking statements under applicable securities legislation. Forward-looking statements or information typically containing statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose" or similar words suggesting future outcomes or statements regarding, and outlook. Forward-looking statements or information in this Management Discussion and Analysis include, but are not limited to, statements regarding:

- Business objectives, plans and strategies;
- Exploration objectives, plans and strategies; and,
- Certain geological interpretations and expectations.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this Management Discussion and Analysis, assumptions have been made regarding, among other things:

- The ability of the Company to continue to fund its operations through financings, options and joint ventures;
- The ability of the Company to obtain equipment, services and supplies in a timely manner to carry out its activities;
- The level of exploration activities and opportunities;
- The ability of the Company to retain access and develop its mineral claims; and
- Current and future mineral commodity prices.

Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

- Uncertainties regarding financings and funding;

- The ability of management to execute objectives, plans and strategies;
- Exploration, development and operational risks inherent in the mining industry;
- Market conditions;
- Risks and uncertainties inherent in geology and exploration for deposits;
- Potential delays and changes in plans;
- The Company's ability to retain land tenure;
- General economic and business conditions;
- Possibility of governmental policy changes;
- Changes in First Nations policies;
- Other risks and uncertainties described within this document.

The forward-looking statements or information contained in this Management Discussion and Analysis are made as of the date hereof and Discovery undertakes no obligation to update publically or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.

Discovery Harbour is currently in the process of considering financing strategies to obtain the necessary funds to explore the Caldera precious metal project which is described below.

Changes in the Management

On March 14, 2017, Mr. Bruno Hegner has resigned as a CEO, President and Director of the Company.

On March 14, 2017, Mr. Mark Fields was appointed as an interim CEO of the Company.

Significant Acquisitions and Dispositions

Caldera & Jersey Valley Precious Metal Projects – Nevada USA

As announced in a press release dated November 23, 2016, the Company entered into an Exploration License and Option To Purchase Agreement (the "Agreement or Option") with Genesis Gold Corporation ("GGC") to acquire a 100% interest in two gold projects in the State of Nevada, USA (the "Projects / Project or Properties / Property"). A 90 day time allotment from the November 18, 2016 execution date is set during which timeframe, the Company must secure financing for exploration.

On February 27, 2017, the Company announced a three month extension to the Exploration License and Option to Purchase Agreement with GGC. This extension allows the Company to raise capital needed for the exploration of the Caldera and Jersey Valley projects in Nevada. The extension was until May 18, 2017.

On April 43, 2017, the Company announced it had entered into a second amendment agreement with Genesis Gold Corporation to acquire the Caldera Project. With this, the parties have agreed to amend further several terms of the original exploration license and option to purchase agreement ("Original Agreement") announced in a press release dated Nov. 23, 2016, which was first amended in February, as set out in a news release dated Feb. 27, 2017. All releases may be viewed on SEDAR.

The second amendment achieves the following: (all dollars are $US)

- The due date for the second advance royalty payment of $15,000 has been extended to June 30, 2017;
- The net smelter return royalty ("NSR") has been reduced from a sliding scale between 3% and 2%, down to 2%, and fixed at a 2% NSR; and
- The $3,000,000 purchase price contemplated has been eliminated. Instead, the payments will consist solely of the annual advance royalty payments, and such NSR as would be due.

The Company will receive title to the property when the sum of the advance royalty payments reaches $400,000. The Company shall also issue to Genesis Gold, 500,000 share purchase warrants exercisable within three years of the date of grant. Each warrant entitles the holder to purchase one common share of the Company for CAD$0.05.

Except as amended, the Original Agreement remains unchanged. The amended Agreement remains subject to TSX-V and regulatory approvals. Additionally, Discovery Harbour has elected not to proceed with the option to acquire the Jersey Valley Property in Nevada so that it can focus all its resources on the Caldera Project.

The Company has performed reviews and due diligence of thirty nine advanced base and precious metal exploration projects during the second, third and fourth quarters of 2016. As a result, has determined the best opportunity for success lies in the large areal expanse of ore-grade gold values from surface samples and drilling and the inference there of the existence of a significantly large and well-mineralized, undiscovered source within the Caldera project boundaries.

The Caldera (Nye County, NV) project datasets were re-evaluated by Don Merrick and John Zimmerman of GGC, prior to the Company's acquisition (for more information on GGC, please see www.genesisgoldcorp.com).

Caldera is classified as a low-sulfidation, epithermal gold system, occurring near the periphery (crater rim) of a Tertiary-aged volcano. Historical, small-scale mining was primarily focused on gold-silver occurrences contained in thin veins with Bonanza-style gold and silver grades. Historical production figures have not been presented and are not available in researched literature for the project.

Corporate Management

Discovery Harbour operates efficiently with a minimal staff and modest office space in Vancouver (CFO) and (President & CEO). It's President and CEO, its CFO and its Senior Executive Vice President manage corporate activities.

Mineral Properties

Caldera & Jersey Valley Precious Metal Projects – Nevada USA

The original Agreement to acquire 100% of the Caldera and Jersey Valley Projects between the Company and GGC was executed on November 18, 2016. The general terms of the Agreement were as follows. All dollars are $US:

1. In order to keep this Agreement in good standing, the Company shall make advanced royalty payments to GGC as follows:

Advance Minimum Royalty	Caldera	Jersey Valley	Total
On signing (paid)	$5,000	$5,000	$10,000
90 Days after signing	$15,000	$15,000	$30,000
1st Anniversary	$30,000	$30,000	$60,000
2nd Anniversary	$50,000	$50,000	$100,000
3rd Anniversary	$75,000	$75,000	$150,000
4th Anniversary	$100,000	$100,000	$200,000
5th Anniversary	$125,000	$125,000	$250,000
6th Anniversary and thereafter	$150,000	$150,000	$300,000

On February 27, 2017, the Company announced in a press release that it has received a three month extension to the Exploration License and Option to Purchase Agreement with GGC. This extension allows the Company to raise capital needed for the exploration of the Caldera and Jersey Valley projects in Nevada. The extension was until May 18, 2017.

Beginning with the payment due on the fifth Anniversary date, all annual payments will be adjusted at the rate of inflation shown in the U.S. Consumer Price Index ("CPI") using the CPI on the fourth Anniversary date as the basis for adjustment for the remainder of the Agreement term. All dollar values are stated in U.S. currency.

2. As further consideration for granting the Option, the Company shall make additional payments as follows:

   a) During the term of the Option, the Company shall pay rentals for the unpatented mining claims to the Bureau of Land Management sufficient to keep the properties in good standing. Should the Company decide to terminate the Option on any part of the Property on or after 15 June of any year, the Company will be responsible for making rental payments in that year.

   b) Within 6 months of the date of signing of this Agreement, the Company will use its best efforts to issue to GGC 200,000 share purchase warrants at the Company's then current share price, plus CAD$0.05. Such issuance shall be subject to approval by the TSX Venture Exchange.

3. GGC will grant the Company the exclusive and irrevocable option to purchase a 100% interest in one or both projects comprising the Property during the term of this Agreement. The total purchase price to be paid is three million dollars (US$3,000,000) for each project comprising the Property. Beginning with the fifth Anniversary date, the purchase price will also be adjusted at the rate of inflation shown in the CPI using the CPI on the fourth Anniversary date as the basis for adjustment for the remainder of the term.

4. In addition to the purchase price, GGC shall retain, when the gold price is less than US$1600, a 2% net smelter return royalty, and where the gold price is equal to or more than US $1,600.00, a net smelter royalty of 3%.

5. There are no work commitments.

On April 4, 2017, the Company announced it had entered into a second amendment agreement with Genesis Gold Corporation to acquire the Caldera Project. With this, the parties have agreed to amend further several terms of the original exploration license and option to purchase agreement ("Original Agreement") announced in a press release dated Nov. 23, 2016, which was first amended in February, as set out in a news release dated Feb. 27, 2017. All releases may be viewed on SEDAR.

The second amendment achieves the following: (all dollars are $US)

- The due date for the second advance royalty payment of $15,000 has been extended to June 30, 2017;
- The net smelter return royalty ("NSR") has been reduced from a sliding scale between 3% and 2%, down to 2%, and fixed at a 2% NSR; and
- The $3,000,000 purchase price contemplated has been eliminated. Instead, the payments will consist solely of the annual advance royalty payments, and such NSR as would be due.

The Company will receive title to the property when the sum of the advance royalty payments reaches $400,000. The Company shall also issue to Genesis Gold, 500,000 share purchase warrants exercisable within three years of the date of grant. Each warrant entitles the holder to purchase one common share of the Company for CAD$0.05.

Except as amended, the Original Agreement remains unchanged. The amended Agreement remains subject to TSX-V and regulatory approvals. Additionally, Discovery Harbour has elected not to proceed with the option to acquire the Jersey Valley Property in Nevada so that it can focus all its resources on the Caldera Project.

The Caldera Project is located approximately 23 miles (37 km) due west of the Round Mountain gold mine (Kinross Gold) and is located in the foothills of the Shoshone Range. Its location is nearly equidistant from the Round Mountain, Paradise Peak, Monte Cristo, Northumberland, Manhattan and Tonopah districts from which over 30 million ounces of gold has been collectively produced. Most of these deposits are classified as low sulfidation epithermal gold systems. In outcrop and from historical drilling, the gold mineralization at Caldera exhibits the same characteristics of low sulfidation systems. Good road access is present at Caldera.

The Caldera project has a NI 43-101 report completed by other explorers (Caldera – NI 43-101 Report dated February 21, 2005).

Project Exploration Focus & Concepts

Caldera hosts strong epithermal gold mineralization and very significant gold pathfinder element geochemistry (rock & soil) exposed at surface, in shallow workings and in drill intercepts. These results all support the likelihood that very significant gold mineralization should occur at depth, within and above the 'boiling zone' where circulating, low temperature groundwater aquifers have interacted with magmatic heat, raising temperatures to allow gold to be deposited as veining, void fillings and as disseminated and stratabound mineralization in chemically favorable and structurally prepared host lithologies.

Drilling at Caldera has not been deep enough to test for this boiling zone-related mineralization. This will be the focus of the Company's exploration efforts, however, the initiation and scope of any future the Company exploration program shall be subject to the Company's ability to raise capital within the allotted time period, as determined by the agreement with Genesis Gold.

2BAR Project – Churchill County, Nevada

The 2Bar Project is located near Lovelock, in the Table Mountain Mining District, Churchill County, Nevada. The Property lies in the vicinity of the historic Bradshaw copper and Bolivia nickel mines.

On June 20, 2014, the Company entered into an Exploration License and Option to Purchase a 100% interest in 227.26 non-contiguous acres (91.97 hectares) of patented mining claims in Table Mountain Mining District, Churchill County, Nevada. The Company also staked a further 206 unpatented mineral claims. The Company has terminated its Option to Purchase the patented mineral claims and plans to retain only 30 of the unpatented mineral claims. In addition detailed results of the work completed from 2014-2016 are available in news releases on Sedar.

Following the receipt of drill results, the Company decided to release all but 30 unpatented claims in August, 2016 and, as of June 18, 2016, the Company terminated its Option to Purchase agreement for the patented mining claims.

The Company maintains 30 of its unpatented mineral claims as of the August 31, 2016 date for annual payments of US$5,500.00. The claims that were retained are contiguous to the patent claims that were released in June. These claims total approximately 618 acres (250.1 hectares).These claims are prospective for copper and other metals based on the work carried out by the Company and also are strategic for exploration and development work that may be conducted on contiguous properties. A substantial resource may exist at 2BAR. These claims allow the Company an excellent property position should future exploration define such a deposit.

Access to the main claims area is via an existing road. The road is in reasonable condition and only minor work was required to allow for ingress and egress during the 2014 and 2015 drilling programs. The permits for the road repair were received in September, 2014. The BLM continues to hold an amount of US$5,684.00 for reclamation should the Company not comply with the regulations contained in the use permit. This amount is refundable if compliance is adhered to. Road maintenance occurred during October, 2014 and May, 2015. Water for drilling is non-existent at the property and was hauled from nearby springs along the access road. the Company has obtained permission from the owner of the local water rights.

At this point in time, the Company has no immediate plans for further exploration at 2BAR.

Other Potential Projects

The Company is and has been involved in multiple due diligence programs for the thorough review of new precious metal (gold-silver) project acquisitions. The focus is on properties in the State of Nevada. Any future acquisition will be determined by the quality and merit of the project and the ability of the Company to adequately finance that acquisition and the necessary subsequent exploration or development.

Michael J. Senn, a licensed professional geologist, is the Qualified Person for the Company as described in National Instrument 43-101 and has reviewed and approved the technical contents contained herein. All results and data provided in herein with respect to the Caldera and Jersey Valley projects have been extracted from NI 43-101 reports and data / reports furnished by Genesis Gold Co.

1.3 SELECTED FINANCIAL INFORMATION

	September 30, 2016	September 30, 2015	September 30, 2014
Total revenues	$ -	$ -	$ -
Income (loss) before other items	(342,645)	(750,642)	(627,678)
Net income (loss)	(1,417,136)	(7,154,928)	(992,348)
Income (loss) per share basic and diluted	(0.02)	(0.13)	(0.02)
Total assets	$ 133,100	$ 1,475,674	$ 8,415,199

1.4 RESULTS OF OPERATIONS

These interim consolidated financial statements including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

Currently the Company has no producing properties and consequently no sales and earns no revenue. To date the Company has been entirely dependent on equity markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

The Company recorded a net loss for the period ended March 31, 2017 of $80,752 ($0.00 per share), as compared to a net loss of $186,240 ($0.00 per share) for the period ended March 31, 2016. The difference of net loss of $105,488 between the both periods resulted from mainly decrease in consulting fees and office and administration expenses in current period. The Company had a cumulative deficit of $20,068,939 as compared to cumulative deficit of $19,988,187 for the year ended September 30, 2016.

Six Months Ended March 31, 2017 Compared to Six Months Ended March 31, 2016

The total expenses were $80,752 a decrease of $105,623 compared to $186,375 for the comparable period of the prior year. This decrease was mainly due to the reduction in consulting fees and office and administration expenses.

Accounting and audit fees were decreased by $4,725. In the current period accounting fees were charged based on actual hours spent rather than fixed monthly fees.

Consulting fees were decreased by $82,529. In the current period consulting fees were charged based on actual hours spent rather than fixed monthly fees and also fewer consultants are working with the Company.

The filing fees were increased by $1,578 as a result if debenture financing.

The foreign exchange gain was $695. This was compared to loss of $4,925 in last year. This was due to changes in the Canadian and US dollar relative values.

Investor communication expenses were increased by $693 as a result of disseminating of news releases.

The legal fees were increased by $6,056. This was due to cost associated with debenture financing.

Office expenses were decreased by $11,779. This was due to decreased insurance and costs associated to maintain the US office.

The share transfer agent fees decreased by $1,720.

The travel expenses were decreased by $2,221 as a result of decreased travel activities during the period.

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

The total expenses were $56,826 a decrease of $23,534 compared to $80,360 for the comparable period of the prior year. This decrease was mainly due to the reduction in consulting fees and office and administration expenses.

Consulting fees were decreased by $11,475. In the current quarter consulting fees were charged based on actual hours spent rather than fixed monthly fees.

The filing fees were increased by $1,388 as a result if debenture financing.

The foreign exchange loss was $306. This was compared to loss of $13,733 in last year. This was due to changes in the Canadian and US dollar relative values.

Investor communication expenses were increased by $628 as a result of disseminating of news releases.

The legal fees were increased by $4,152. This was due to cost associated with debenture financing.

Office expenses were decreased by $3,929. This was due to decreased insurance and costs associated to maintain the US office.

1.5 SUMMARY OF QUARTERLY RESULTS

The following table presents certain selected financial information on a quarterly basis:

Quarter ended	Revenue	Net loss	Net loss per share
	$	$	$
March 31, 2017		(56,826)	(0.00)
December 31, 2016		(28,726)	(0.00)
September 30, 2016	0	(1,206,119)	(0.02)
June 30, 2016	0	(24,777)	(0.00)
March 31, 2016	0	(80,225)	(0.00)
December 31, 2015	0	(106,015)	(0.00)
September 30, 2015	0	(151,378)	(0.00)
June 30, 2015	0	(6,540,299)	(0.12)

Largely due to the write-off exploration and evaluation property of $1,021,527, the net loss for the quarter ended September 30, 2016 was $1,206,119.

Largely due to the loss on sale of property of $6,407,227, the net loss for the quarter ended June 30, 2015 was $6,540,299.

1.6 LIQUIDITY

As at March 31, 2017, the Company had working capital deficiency of $(7,084) as compared to working capital of $91,987 on September 30, 2016.

Cash Flow from Operations

During the period ended March 31, 2017, the Company had cash out-flow of $(85,398) from operations compared to $(196,389) in the comparable period of the previous year. The main cause of this change was due to higher net loss during the period ended March 31, 2016.

During the period, the Company decreased accounts receivable by 2,949, decreased prepaid expenses by $4,959, and decreased accounts payable by $7,754.

During the quarter ended March 31, 2017, the Company had cash out-flow of $(65,521) from operations compared to $(90,988) in the comparable quarter of the previous year. The main cause of this change was due to higher net loss during the period ended March 31, 2017.

During the quarter the Company increased accounts receivable by 649, decreased prepaid expenses by $2,438, and decreased accounts payable by $10,484.

Investing Activities

During the period ended March 31, 2017, the net cash from investing activities were $(13,519) compared to 67,980 in the comparable period of the previous year.

During the period, the Company spent $13,519 of deferred mineral property acquisition.

During the quarter ended March 31, 2017, the net cash from investing activities were $nil compared to 88,325 in the comparable quarter of the previous year.

Financing Activities

During the period ended March 31, 2017, the net cash from financing activities were $1,939 compared to $8,668 in the comparable period of the previous year.

During the period, the due to related parties increased by $1,939.

During the quarter ended March 31, 2017, the net cash from financing activities were $2,373 compared to $27 in the comparable quarter of the previous year.

During the quarter, the due to related parties increased by $2,373.

The Company closed the non-brokered private placement (the "**Financing**"), announced on March 24, 2017, of an unsecured convertible debenture (the "**Debenture**") in the principal amount of $100,000 with Richard Gilliam, a director and significant shareholder of the Company. The Debenture will be convertible, at the option of the holder, into common shares (each, a "**Share**") of the Company on the following terms. The conversion price will be equal to the greater of $0.05 per Share or the subscription price for each share in the most recently completed private placement of the Company during the term of the Debenture. The Debenture matures twelve (12) months from the date of the closing of the Financing and bears no interest.

Risk Factors

Exploration and Development

Exploration for mineral commodities is a speculative venture involving substantial risk. There are no guarantees that this Company's efforts in exploration will be successful in defining economically feasible deposits. Very few exploration programs run by all companies in the mineral exploration business are successful in this effort. The long-term profitability of this Company will in part be directly related to the costs and success of its exploration projects, which may be affected by a number of variables that are beyond the control of the Company.

Financing

The Company has suspended exploration of its properties for economic deposits of mineral commodities. None of the Company's projects are in production and as such, do not produce revenue. The Company's ability to conduct its exploration is based on its working capital and on its ability to raise financing necessary to support its activities through equity issuances and through proceeds from future dispositions of its mineral properties, or development and production from its properties. There can be no assurance that the Company will be successful in securing the funding required to support its activities, now or in the future. Failure to raise sufficient funding has caused the Company to suspend exploration activities and eventually may force it to sell or forfeit its interest in its properties. This could ultimately result in the dissolution of the Company. Numerous factors affect the Company's abilities to raise the necessary capital. Market conditions and fluctuations in investor attitude and commodity prices are two main variables, over which the Company has no control or prior warning. Please see discussion in section 1.7 under the heading "COMMITMENTS"

Mining Operations

Mining operations involve a high degree of risk and danger. Natural and / or man-made hazards or accidents could cause the Company to be liable for physical or environmental damages and such liabilities could produce adverse financial effects on the Company and its financial position, as well as result in the possible forfeiture of its assets.

Economics of Developing Mineral Properties

Substantial costs are attached to the establishment of economic resources of mineral commodities. Exploration and development expenditure are required to determine the viability of any deposit prior to the extraction of the ore minerals. Although substantial financial benefits are attached to the production of commodities from an economic deposit, there is no assurance that every deposit discovered will contain sufficient quantities or grades to support the required development costs attached to mine and infrastructure construction. Therefore, announcements of apparent ore-grade mineralization from exploration activities, are only the first steps in a long and costly process of bringing a discovery to a production status.

Marketability of Commodities

Precious and base metal exploration and development are speculative and involve high risk. The marketability of these commodities that may be discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, government regulations and permitting issues, commodity pricing, taxation, royalties, land tenure, land use, import and export issues, and environmental permitting. The exact effect of these factors cannot be predicted and any combination of these factors may result in not being able to exploit.

Pricing of Commodities

The future value of the Company will, to some degree, be dependent on the pricing of mineral commodities in the marketplace. Fluctuations in the pertinent commodity prices continuously change and these fluctuations are beyond the control of the Company. Furthermore, although the Company continuously attempts to perceive the direction of commodity pricing and subsequent sales probabilities, the future pricing of mineral commodities remains uncertain and contributes to the high risk of investment in these types of opportunities.

Environmental Requirements

The Company conducted its exploration activities only in the State of Nevada. All phases of its operations are subject to the environmental regulations in that State. All laws and regulations relating to the environment are and must be strictly adhered to in order to avoid penalties and time delays in permit issuances. Environmental legislation and regulation is evolving and, in the future, may result in the enactment of laws and regulations that could negatively impact exploration and development or entirely preclude the development of mines. This would also have a negative material and financial effect on the Company. However, the State of Nevada's laws and regulations do not appear to the Company to impose in the near or long term, any restrictive policies that would cause significant harm to the Company nor hinder it from the development of operations there.

Competition

The mining industry (exploration and development) is intensely competitive in all of its phases. The Company competes with numerous other companies possessing greater financial resources and technical facilities. There is no guarantee in the future that the Company may not loose or forfeit a mineral property because of a relative lack of funding, personnel or expertise.

Title

While the Company has registered all their claims and licenses with the appropriate mining authorities and have filed all required documentation needed to keep the claims in good standing, these should not be considered absolute guarantees of irrevocable title to those properties. The Company's properties may also be subject to prior unregistered agreements or transfers and the Company's ownership of these properties may be affected by these or other undetected defects. The Company's properties may include recorded third party claims, which have not been surveyed, rendering uncertainty as to their exact location. The Company may also lose entitlement to claims if certain payments are not met. .

Mining Regulation

Mining operations are subject to extensive regulation in the jurisdictions in which its projects are located. Future changes in made by such authorities could adversely affect the Company's holdings and its ability to mine, as well as mining as a whole. The Company has no control over these possible changes. The Company has not filed for any permit to mine with any governmental unit.

However, mining regulations in the State of Nevada are stable and no new alterations or issues have been proposed, as to legislative changes that would adversely affect any present or future mining operations there.

Cash Flow and Ongoing Business

The Company has not generated any cash flow or earnings to support its activities and there can be no assurance that the Company will generate any earnings or cash flow in the future. If the Company does not generate cash flow, additional external funding will be required to finance the Company's activities. This future funding may not be available or, if available, may not be on terms acceptable to the Company and could result in the Company ceasing to exist.

Dilution

Shareholders will suffer dilution with respect to future private and / or public offerings of the Company's common shares (or securities convertible into common shares).

Key Management

The Company has not purchased any "key man" insurance with respect to any of its directors, officers or key personnel to the date hereof. The loss of the Company's President and Chief Executive Officer and its Senior Executive Vice President could have an adverse affect on the Company and its business, financial position and prospects.

Conflicts of Interest

Certain of the Company's directors and officers currently, and may in the future, serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of other companies. The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors and officers of conflicts of interest and the Company will rely upon such laws in respect of any director or officer's conflict of interest or in respect of any breaches of duty by any of its directors or officers.

Market Volatility

In the past, there have been instances where the Company's common shares did not trade or where trading was limited. Additionally, the trading price of common shares may be subject to wide fluctuations in response to operating results, results of exploration, market conditions and other events and factors outside the control of the Company. In addition, the

stock market has experienced extreme price and volume fluctuations which have affected the market price of junior exploration companies. There can be no assurance that significant price fluctuations will not occur in the future.

1.7 CAPITAL RESOURCES

The Company did not raise any funds during the period ended March 31, 2017.

Subsequent to the period ended, the Company raised $100,000 through debenture financing.

COMMITMENTS

On November 18, 2016, the Company entered into an Exploration License and Option to Purchase Agreement with Genesis Gold Corporation to acquire a 100% interest in two gold projects in the State of Nevada. Amendments were announced on February 27, 2017 and April 4, 2017 as described in the "Mineral Properties" section. The Company now has until June 30, 2017 to secure financing for exploration and pay the second advance royalty payment of USD $15,000 for the Caldera Project.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

1.9 RELATED PARTY TRANSACTIONS

(a) During the period ended March 31, 2017, the Company incurred consulting fees of $10,690 (March 31, 2016: $43,745) with Michael Senn a director and senior executive vice president of the Company.

As at March 31, 2017, $5,365 (September 30, 2016 - $3,426) was owing to companies controlled by directors and officers of the Company.

(b) During the period ended March 31, 2017, payment of rent of $3,000 (March 31, 2016: $2,500) was paid to Arctic Star Exploration Corp, which is related by a common officer (Binny Jassal) for shared office premises.

(c) During the period ended March 31, 2017, the Company incurred accounting fees of $19,500 (March 31, 2016: $26,250) paid to BJ Financial Accounting Consulting Inc., a company owned by Binny Jassal, CFO of the Company.

(d) At March 31, 2017, the Company incurred consulting fees of $nil included in exploration expenses (September 30, 2016 - $3,707) payable to Michael Senn, a director and senior executive vice president of the Company.

(e) The Company closed the non-brokered Financing, announced on March 24, 2017, of an unsecured convertible Debenture in the principal amount of $100,000 with Richard Gilliam, a director and significant shareholder of the Company. The Debenture will be convertible, at the option of the holder, into Shares of the Company on the following terms. The conversion price will be equal to the greater of $0.05 per Share or the subscription price for each share in the most recently completed private placement of the Company during the term of the Debenture. The Debenture matures twelve (12) months from the date of the closing of the Financing and bears no interest.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

1.11 PROPOSED TRANSACTIONS

N/A

1.12 CRITICAL ACCOUNTING ESTIMATES

Critical Accounting estimates represent estimates that are highly uncertain and for which changes in those estimates could materially impact the Company's financial statements. The two critical accounting estimates applicable to the Company are: the measurement and valuation of deferred exploration expenses and mineral properties, and the valuation of options.

1.13 CHANGES IN ACCOUNTING POLICIES

Future accounting changes

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after October 1, 2016 or later periods. Updates that are not applicable or are not consequential to the Company have been excluded from the list below.

IFRS 9, Financial Instruments: Classification and Measurement, issued in December 2009, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2018. The Company is currently evaluating the potential impact of the adoption of IFRS 9.

SIGNIFICANT ACCOUNTING POLICIES

(a) **Principles of consolidation**

The consolidated financial statements include the financial statements of the Company and of the entities it controls, its wholly-owned subsidiaries, 0845837 B.C. Ltd.(active) and Discovery Harbour (USA) LLC (dormant). All significant inter-company balances and transactions have been eliminated.

(b) **Foreign currency translation**

The functional currency of the Company and its subsidiary, as determined by management, is the Canadian dollar and this is also the currency in which it presents these financial statements. The Company recognizes transactions in currencies other than the Canadian dollar (foreign currencies) at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statement of operation and comprehensive operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) **Financial instruments**

The Company recognizes a financial asset or financial liability when it becomes a party to the instrument's contractual provisions. It initially measures financial assets and financial liabilities at their fair value, adding or deducting directly attributable transaction costs (except for transaction costs directly attributable to acquiring financial assets or financial liabilities at fair value through profit or loss, which it recognizes immediately in profit or loss).

The Company's financial instruments and their classifications, described further below, are as follows:

Financial assets:	Classification:
Cash and cash equivalents	Fair value through profit or loss
Term deposit	Fair value through profit or loss
Accounts and other receivables	Loans and receivables
Investments	Fair value through profit or loss or Available-for-sale

Financial liabilities:	Classification:
Accounts payable and due to related party	Other financial liabilities

Financial assets

The Company recognizes and derecognizes all financial assets on the trade date. It derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of its ownership to another entity. It classifies financial assets into the following specified categories: financial assets 'fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'.

It determines the classification at the time of initial recognition, depending on the nature and purpose of the financial assets. The Company does not currently have any financial assets in the held-to-maturity or available-for-sale categories.

The Company's accounting policy for the category of assets and liabilities presently recognized by the Company is as follows:

Fair value through profit or loss

This category comprises assets acquired or incurred for the purpose of selling or repurchasing it in the near future. The Company measures financial assets at FVTPL at fair value, recognizing any gains or losses arising from this measurement in the Statement of Loss and Comprehensive Loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. The Company measures loans and receivables at amortized cost using the effective interest method, less any impairment, except for short-term receivables for which recognizing interest would be immaterial. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all transaction costs and other premiums or discounts) through the instrument's expected life (or, where appropriate, a shorter period) to the net carrying amount on initial recognition.

Financial liabilities

Company classifies financial liabilities as either financial liabilities at FVTPL or other financial liabilities.

The Company does not currently have any financial liabilities in the at FVTPL category.

Other financial liabilities

The Company initially measures other financial liabilities, consisting of accounts payable and amounts due to related parties, at their fair value, net of transaction costs, and subsequently at amortized cost using the effective interest method, recognizing interest expense on an effective yield basis.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets

The Company assesses financial assets, other than those at FVTPL, for indications of impairment at

the end of each reporting period. For financial assets carried at amortized cost, the amount of any impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

(d) **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts. Cash may also be invested in guaranteed investment certificates that are available on demand by the Company for its program. The Company does not invest in any asset-backed deposits/investments.

(e) **Exploration and evaluation expenditures**

The Company capitalizes all costs of acquiring, retaining, evaluating and exploring resource properties or an interest in such properties. Such costs include, but are not limited to, geological consulting, drilling and related expenses, sampling, assay expenditures, geophysical studies and other exploration costs directly related to the development of such properties. The Company expenses costs incurred before obtaining the legal rights to explore an area. It also writes off the accumulated capitalized costs relating to non-productive properties in which it abandons an interest.

The Company expects to amortize the capitalized costs in the future, over the estimated useful life of the producing properties, on a method relating recoverable reserve volumes to production volumes. The current carrying amount, based on capitalized costs, does not necessarily reflect present or future fair values.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete the development of the properties, and on future production or proceeds of disposition.

The Company reviews the recoverability of the carrying values of its exploration and evaluation expenditures at each reporting period.

It recognizes an impairment loss when the carrying value exceeds the recoverable amount, estimated with reference to facts and circumstances including current exploration results and management's assessment of the future probability of receiving positive cash flows from successfully developing or selling the property. Since the Company is in the exploration stage, it has not yet conclusively determined whether the properties have economically recoverable reserves.

(f) **Equipment**

The Company records equipment at cost less accumulated depreciation and accumulated impairment losses. It recognizes depreciation to write off the cost of assets less their residual values over their useful lives, using the following methods and rates:
Furniture and fixtures - 20% declining balance

The Company capitalizes depreciation of equipment used in evaluating and exploring its properties, and recognizes depreciation of all other equipment as part of profit or loss. The Company reviews the estimated useful lives, residual values and depreciation method at each year end, accounting for the effect of any changes in estimate on a prospective basis.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(g) **Loss per share**

The Company calculates basic loss per share by dividing the loss for the year by the weighted average number of common shares outstanding during the year. It calculates diluted loss per share in a similar manner, except that it increases the weighted average number of common shares outstanding, using the treasury stock method, to include common shares potentially issuable from the assumed exercise of stock options and other instruments, if dilutive. In the Company's case, these potential issuances are "anti-dilutive" as they would decrease the loss per share; consequently, the amounts calculated for basic and diluted loss per share are the same.

(h) **Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax

payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(i) **Impairment of long-lived assets**

At the end of each reporting period, the Company reviews the carrying amounts of its equipment and finite life intangible assets, including deferred evaluation and exploration expenditures, to determine whether any indication exists that any of those assets have suffered an impairment loss. If any such indication exists, it estimates the asset's recoverable amount to determine the extent of the impairment loss (if any). Where it is not possible to estimate an individual asset's recoverable amount, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where it can identify a reasonable and consistent basis of allocation, it also allocates corporate assets to individual cash-generating units, or otherwise allocates them to the smallest group of cash-generating units for which it can identify a reasonable and consistent allocation basis.
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the Company discounts estimated future cash flows to their present value using a pre-tax discount rate. This rate reflects current market assessments of the time value of money and also reflects the risks specific to the asset (unless these risks are reflected in the estimates of future cash flows).

If the Company estimates an asset or cash-generating unit's recoverable amount to be less than its carrying amount, it reduces the carrying amount to the recoverable amount, recognizing an impairment loss immediately in profit or loss. Where an impairment loss subsequently reverses, the Company increases the asset or unit's carrying amount to the revised estimate of its recoverable amount, without exceeding the carrying amount that would have been existed if no impairment loss had been recognized in prior years. It recognizes a reversal of an impairment loss immediately in profit or loss.

(j) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales tax or duty. The following specific recognition criteria must also be met before revenue is recognized:

Interest income
Revenue is recognized as interest accrues (using the effective interest rate - that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Other income
Revenue from other income is recognized upon completion of the services for which the measurement of the consideration can be reasonably assured and the ultimate collection is reasonably assured.

(k) **Provisions including asset retirement obligations**

The Company recognizes a provision when it has a present obligation (legal or constructive) as a result

of a past event, it is probable it will be required to settle the obligation, and it can make a reliable estimate of its amount. The amount it recognizes as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the surrounding risks and uncertainties. Where it measures a provision using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows, calculated using a pre-tax discount rate reflecting the risks specific to the liability. The Company adjusts the liability at the end of each reporting period for the unwinding of the discount rate and for changes to the discount rate or to the amount or timing of the estimated cash flows underlying the obligation.
In particular, as a result of exploring, developing and operating its mineral properties, the Company may incur legal or constructive obligations to incur asset retirement or site restoration costs. It measures these obligations at its best estimate of their net present value and capitalizes their cost to the related asset's carrying amount.

As at March 31, 2017, the Company, given the early stage of exploration on its mineral properties, has no reclamation costs and therefore no provision for asset retirement obligations has been made.

(l) **Share based payment transactions**

The Company's share option plan allows the Company's employees and consultants to acquire shares of the Company. The Company measures equity-settled share-based payments issued under the stock option plan at the fair value of the equity instruments at the grant date. The Company calculates the fair value using the Black-Scholes option valuation model and expenses this amount over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, crediting the amounts to contributed surplus. It revises its estimate of the number of equity instruments expected to vest at the end of each reporting period, recognizing the impact of revising the original estimates, if any, in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other paid-in capital. When options are exercised, the Company credits the proceeds, together with the amount originally credited to contributed surplus, to share capital.

In the case of consultants, the value of the options is measured based on fair value of goods or services provided, unless it cannot be reliably determined.

(m) **Significant accounting judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the depreciation of equipment, valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Critical judgments and estimates exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties

Management has determined that exploration and evaluation expenditures incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Valuation of share-based payments
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.
Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES

(a) Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of transactions is classified according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The Company's cash and cash equivalents, term deposit and investment in shares have been valued using Level 1 inputs. Share purchase warrants included in investments have been valued using Level 3 inputs. The carrying value of accounts and other receivables, due from a related party, due to related parties, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2016 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	$ 3,557	$ -	$ -	$ 3,557
Term deposits	-	-	-	-
Investments	8,100	-	1	8,101
	$ 11,657	$ -	$ 1	$ 11,658

Credit risk is the loss associated with a counter-party's inability to fulfil its payment obligations. The Company's credit risk is attributable to GST receivable from Canadian Federal government and term deposits. The credit risk is minimized by placing cash and term deposits with major Canadian financial institutions. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Management believes that the credit risk concentration with respect to financial instruments above is remote.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash. The Company's cash and cash equivalents are held in business accounts which are available on demand for the Company's programs and are not invested in any asset-backed deposits or investments.

As at March 31, 2017, the Company had cash and cash equivalents and term deposit balance of $3,557 (September 30, 2016 - $100,535) to settle current liabilities of $12,877 (September 30, 2016 - $18,692). All of the Company's significant liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Subsequent to March 31, 2017, the Company raised $100,000 through debenture financing.

(d) 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.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest revenue. Presently the Company is not at risk of realizing a loss as a result of a decline in the fair value of its financial instruments because of the short-term nature of the investments.

ii) Foreign currency risk

The Company's functional currency for itself and its subsidiaries is the Canadian dollar and major expenditures are transacted in Canadian dollars. The Company is also subject to foreign exchange risk for transactions in its 2Bar property located in USA.

iii) Commodity price risk

The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

It is management's opinion that the fair value of the Company's cash, short term investments, loan receivables, accounts receivable, accounts payable and accrued liabilities, and advances approximate their carrying value due to the relatively short periods to the maturity of the instruments.

Marketable securities are classified as available-for-sale security. Such securities are measured at fair value in the financial statements with the unrealized gains or losses recorded in other comprehensive income. At the time securities are sold or otherwise disposed of, gains and losses are included in net income (loss).

None of the Company's financial instruments are denominated in U.S. dollars, and the Company does not use foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

1.15 OTHER MD&A REQUIREMENTS

Financial And Disclosure Controls And Procedures

During the period ended March 31, 2017, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the period ended March 31, 2017 (together the "Interim Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Outstanding Share Data

a) The Company's authorized share capital consists of unlimited common shares without par value. The Company has only one kind and class of shares and there are no unusual rights or restrictions attached to that class.

b) As of May 05, 2017, the Company had a total of 53,393,513 (September 30, 2016: 53,393,513) common shares issued and outstanding.

c) As of May 05, 2017, the Company had nil (September 30, 2016: 15,050,000) warrants outstanding.

d) As of May 05, 2017, the Company had 2,975,000 (September 30, 2016: 2,975,000) stock options outstanding enabling holders to acquire the following:

Number of Shares	Exercise Price	Expiry Date
120,000	$0.30	July 05, 2020
55,000	$0.41	November 23, 2020
2,800,000	$0.10	March 23, 2020
2,975,000		

Additional Disclosure for Venture Issuers without Significant Revenue
Schedule of General and Administrative costs:

	Three Months Ended March 31 2017	Three Months Ended March 31 2016	**Six Months Ended March 31 2017**	Six Months Ended March 31 2016
Expenses				
Accounting and audit	$ **12,262**	$ 12,675	$ **21,525**	$ 26,250
Amortization	**-**	163	**-**	184
Bank and interest charges	**362**	428	**624**	905
Consulting fees	**20,725**	32,200	**26,650**	109,179
Filing fee	**8,267**	6,879	**9,267**	7,689
Foreign exchange	**306**	13,733	**(695)**	4,925
Investors communication	**628**	-	**4,221**	3,528
Legal	**6,312**	2,160	**10,117**	4,061
Office and administration	**5,514**	9,443	**9,151**	20,930
Rent	**1,500**	1,500	**3,000**	3,091
Share transfer agent	**950**	1,179	**1,692**	3,412
Travel	**-**	-	**-**	2,221
	$ **56,826**	$ 80,360	$ **85,552**	$ 186,375

Schedule of Exploration and Development Costs:

	Nevada Gold Project	Total
Deferred Exploration Expenditures		
Balance on September 30, 2016	$ -	$ -
Drilling	-	-
Travel	-	-
Telecommunications	-	-
Field & Camp Costs	-	-
Fuel	-	-
Repair & Maintenance	-	-
Consulting	-	-
Freight	-	-
Assays and Lab Process	-	-
Claim staking	-	-
Mob-Demob	-	-
Air Craft – Fixed Wing	-	-
Others	-	-
Survey	-	-
Helicopter	-	-
Write-off	-	-
Balance on March 31, 2017	-	-
Property Acquisitions		
Balance on September 30, 2016	$ -	$ -
Acquisition	13,519	13,519
Balance on March 31, 2017	13,519	13,519
Exploration and evaluation expenditures on March 31, 2017	**$ 13,519**	**$ 13,519**

Additional Information

Additional information about the Company can be found on www.sedar.com.

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