REPORT DATE:
August 2, 2018

This Management Discussion and Analysis (the "MDA") provides relevant information on the operations and financial condition of VR Resources Ltd. (the "Company") for the period ended June 30, 2018.

This MDA should be read in conjunction with the Company's previous MDA and consolidated financial statements and notes thereto for the year ended March 31, 2018 and dated July 11, 2018.

The Company is in the business of mineral exploration. Activities include the evaluation, acquisition and exploration of mineral exploration properties in search of economic mineral deposits. Properties with copper and gold potential in the western United States are the current focus of the Company, specifically in Nevada. The realization of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MDA and in the interim consolidated financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards ("IFRS").

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which is it was made, with respect to the period covered by these filings, and these consolidated financial statements together with other financial information included in these filings. The Board of Directors' approves the consolidated financial statements and MDA and ensures that management has discharged its financial responsibilities.

The Company is registered in the province of British Columbia. Its principal office is located at Suite 1750 – 700 West Pender Street Vancouver, BC, V6C 1G8. It's registered, and records office is located at Suite 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

OVERALL PERFORMANCE

The Company is committed to its exploration strategy in Nevada, and discovery-based value creation business model going forward into Fiscal 2019. The Company continued its normal course of business in mineral exploration in Q1 Fiscal 2019 (April – June 2018).

The Company is well financed to carry out both its mineral exploration strategy and its corporate business (general and administrative costs; G&A), based on the financing completed in February 2017, in concert with the Company's listing transaction, closed March 23, 2017, and augmented by non-brokered private placements closed March 19th and April 13th, 2018, respectively. Working capital at the beginning of Fiscal 2019 was approximately $3.1M.

The basic functioning of the Company's legal, audit and corporate compliance work is unchanged from the previous reporting period. The Company maintains its day-to-day work out of the exploration office established in Vancouver, British Columbia, by the predecessor private mineral exploration Company, Renntiger Resources Ltd. The Company employs a tight administrative cost structure, with a focus on translating material expenditures directly to mineral exploration work.

Mineral properties are held in the Company's wholly owned and US-based (Nevada registry) subsidiary, Renntiger Resources USA Inc., but the Company does not operate a US-based mineral exploration office. Mineral exploration in the United States is overseen by the Company's Principal Geologist and Project Development Geologist, with local mineral exploration service companies and consultants used to complete various exploration surveys and tasks.

There was active exploration in Q1 Fiscal 2019 at all three of the Company's core exploration properties in Nevada: Bonita, Junction and Danbo. The reader is referred to the previous reporting period for a detailed summary of work initiated and completed in Q1 Fiscal 2019 at the Company's Junction property in northern Nevada.

A follow-up diamond drill program commenced at the Bonita property in Q1 Fiscal 2019, as described in the news release dated May 15, 2018. This drilling follows up on the results of the inaugural drill program at Bonita completed last fall and summarized in the news release dated January 9, 2018. As of the writing of this report, four drill holes are complete on the first of two principal areas targeted for this drill program. Surface exploration concurrent with drilling will continue through the summer field season of 2018 at Bonita, including geological mapping, rock sampling and soil sampling to further refine exploration vectors within the large alkaline porphyry copper-gold system at Bonita.

A reconnaissance prospecting and mapping field trip was completed in June, 2018, at and around the Company's Danbo and Amsel gold properties located north of Tonapah in the Walker Lane mineral belt of west-central Nevada. This work utilized the results of two airborne geophysical surveys completed in May. Follow-up surface prospecting and mapping is ongoing as of the writing of this report.

The Company evaluates new mineral opportunities on an ongoing basis, whether by generative work and staking, joint venture, property acquisition or by a corporate transaction (e.g. merger).

Development of the Company's capital markets program is ongoing. The Company has engaged Peak Marketing Corp. through the 2018 calendar year for ongoing development and execution of marketing strategies. The Company presented at the Metals Investor Forum in Vancouver in May 2018, and a schedule of event participation is being planned for the fall season, 2018. The Company's website at http://www.vrr.ca was fully transitioned in Q3 2018, and the Company works with Peak Marketing on an ongoing basis to update all of its market-related information and links on the Company website, and transition the Company into a fully-functioning social media platform and strategy.

EXPLORATION PROJECTS

Summary

The Company owns six mineral properties in Nevada, USA (see Figure 1). Information on each property is provided on the Company's website at www.vrr.ca. There was active exploration in Q1 Fiscal 2019 at all three of the Company's core properties, namely Bonita, Junction and Danbo – Amsel.

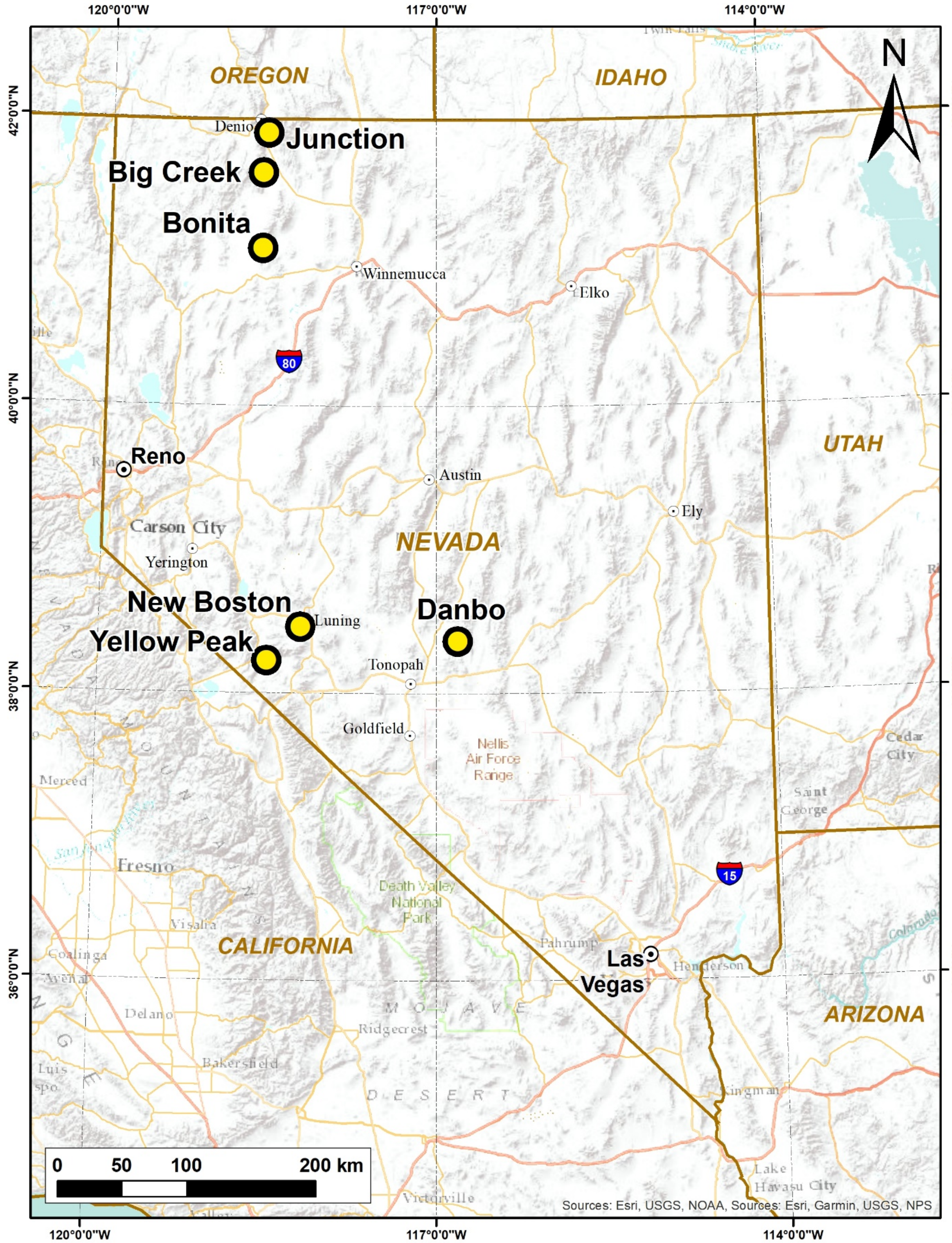

Figure 1. Location of mineral properties owned by VR Resources Ltd. in Nevada, USA.

Bonita Property, Nevada, USA

There was active exploration at the Bonita property in Q1 Fiscal 2019.

The reader is referred to the reports of the previous reporting period, and the Company's website, for descriptions of the property location, overall property size and claims, ownership, and regional context (metallogeny). Also, on the Company's website is a table which summarizes the three years of surface exploration starting in 2014 as the foundation for the first pass drilling in November, 2017, and the current follow-up drill program which started in May, 2018.An independent, NI 43-101 Technical report for Bonita dated February 17, 2017, is filed on SEDAR.

Management approved a 2,000-metre drill program for the Bonita property for the 2018 summer drill season. The program is focused on two integrated exploration targets at Hemco and Corral respectively, and both centered on large diameter conductive pipes defined in a 3-D inversion block model derived from the airborne ZTEM resistivity survey completed concurrent with the inaugural diamond drill program at Bonita in the fall of 2017. The resistivity survey maps alteration, and also delineates potential sulfide zones based on conductivity.

The current drill program mobilized on May 15, 2018. Four drill holes are complete on the Hemco target for a total of 1,860 metres, with final geochemical data from drill core samples received by the Company immediately prior to the date of this report. The Company will provide an update on results when all assay data are fully integrated into the drill data base for the project, including geological, geophysical and physical property data.

During the month of April, and concurrent with drill preparations in the field, VR conducted ongoing geologic mapping of the property, and completed additional soil sample lines over the Corral target in the southeast part of the property (180 samples). Surface work will continue in August to advance and refine targets across the entire alkaline porphyry system at Bonita.

VR also initiated in Q1 Fiscal 2019 the involved process of baseline environmental surveys over the Hemco target area, surveys that are required for a Plan of Operations permit from the BLM. The process is more involved than that required for the existing Notice of Intent permit held by the Company for its early-stage reconnaissance drilling. The field surveys are incremental such that this inititiative by VR is strategic in nature, designed to enable the Company to be ready for detailed delineation drilling in 2019 should a discovery copper intersection be achieved.

The Company has included various officers from the BLM in the planning of the various baseline surveys at Hemco, to ensure that BLM expectations for the Plan of Operations permit application are met. Work is being done by an independent, arms length company which specializes in such base-line surveys as required by the BLM. Various animal habitat and biodiversity field surveys began in May and are ongoing as of the writing of this report. If all surveys required by the BLM are taken to completion, the Company believes that a successful application for a Plan of Operations permit is possible by the spring of 2019.

Figure 2. Diamond drill at the Hemco target on the Bonita Property, May 2018.

Junction Property, Nevada, USA

There was active exploration at the Junction property in Q1 Fiscal 2019.

The reader is referred to the reports of the previous reporting period, and the Company's website, for descriptions of the property location, overall property size and claims, ownership, and regional context (metallogeny).

Two ground geophysical surveys and one airborne magnetic and radiometric survey were completed in April and May, 2018. Follow-up geological mapping and line-based soil sampling was done in May and again in July, and on-going work is planned for August 2018. A summary of the work completed this spring is provided below, with the key exploration results from the various surveys highlighted in a news release dated July 11, 2018.

- Airborne magnetic and radiometric survey: 84 lines on 200 metre line spacing, with 100 metre-spaced infill lines over key targets, for 434 line-kilometers in total covering a 12 by 5 km survey block coincident with the ground-based gravity survey;
- Ground gravity survey: property-wide grid of 437 stations collected over a 13 by 4 km block on a 400 metre station grid, with 200 metre-spaced infill stations over key targets;
- Induced Polarization geophysical survey (IP), Denio Summit target: two test lines, 2 kilometres long each, run at both 50 and 150 m station intervals. The lines test (cross) the 1.5 km trend of surface copper-silver-gold showings, and the co-spatial gravity high anomaly and copper- gold-tungsten soil anomaly;

- Soil sampling: 276 new soil samples collected in May on 11 lines covering the various showings along the 6 km length of the property, to augment the detailed existing survey of 307 soil samples on 16 lines covering the Denio Summit target in the western part of the property, and;

  95 additional soil samples collected in July, mostly over the Lone Mountain target in the central part of the property.

Overall, exploration this spring at Junction reinforces the Company's conviction on the potential of the at-surface copper-silver-gold dyke and related vein system. For example, the new radiometric anomalies correlate strongly with existing gravity and soil geochemical anomalies at the Denio Summit and Wilder Creek showings, and the vectors are clear for where to drill test the down-dip extension of the polymetallic vein and dyke system in both areas. Similarly, the concentric magnetic anomalies encompassing the Wilder Creek target highlight the potential for a larger intrusive body at depth as the source of the mineralized pegmatite dykes at surface in that area.

The Company will continue to plan towards a focused, first-pass diamond drill program in Fiscal 2019, pending the ongoing integration of existing and new exploration data. The Company has internal permitting expertise from its Bonita project to leverage for Junction to effectively navigate the BLM permitting process in Humboldt County.

Danbo Property, Nevada, USA

There was active exploration at the Danbo property in Q1 Fiscal 2019.

The reader is referred to the reports of the previous reporting period, and the Company's website, for descriptions of the property location, overall property size and claims, ownership, regional context (metallogeny), and numerous photos of rock and mineral textures from the Danbo property gold-bearing quartz veins.

The Kraut property (subsequently renamed 29-Mine and changed a second and final time to Amsel) was acquired in May, 2018 (details are in a news release dated May 1, 2018). Amsel is located 5 km to the northeast of the Danbo property, along the structural grain of the gold-bearing quartz veins at Danbo (Figure 3 below).

An airborne magnetic and radiometric survey, and an airborne hyperspectral survey were completed in June 2018, covering the Amsel property and surrounding area:

- The helicopter-borne high resolution magnetic survey consists of 108 lines spaced 100m for 912 line-kilometres in total covering a block approximately 8 x 10 kilometres in size.
- The fixed wing hyperspectral survey covers approximately the same area as the magnetic survey and is used for mapping alteration minerals based on spectral reflectance properties.

Final data and interpretations for both surveys were received in July 2018. The Company used the results as the foundation for a nine-day field program of reconnaissance – level and detailed geological mapping, prospecting and rock sampling on both the Danbo and Amsel properties, and surrounding area. A total of 54 rock samples were collected. The Company has received all geochemical data, and work is ongoing to integrate results with the Company's working GIS project data base for Danbo – Amsel.

A one-week field program of geological mapping and prospecting is underway as of the writing of this report and will run through early August. The purpose of the airborne surveys and follow-up surface work is two-fold:

1. Refine specific drill targets, and finalize drill strategies for the Danbo property;

2. Evaluate new/additional drill targets on the recently acquired Amsel property, and evaluate the regional potential of the area around and between the Danbo and Amsel properties, on structural trend.

The Company continues to work with the National Forest Service on the Notice of Intent drill permit for targets on the Danbo property. Successful completion of the permitting process by calendar year-end 2018 is possible.

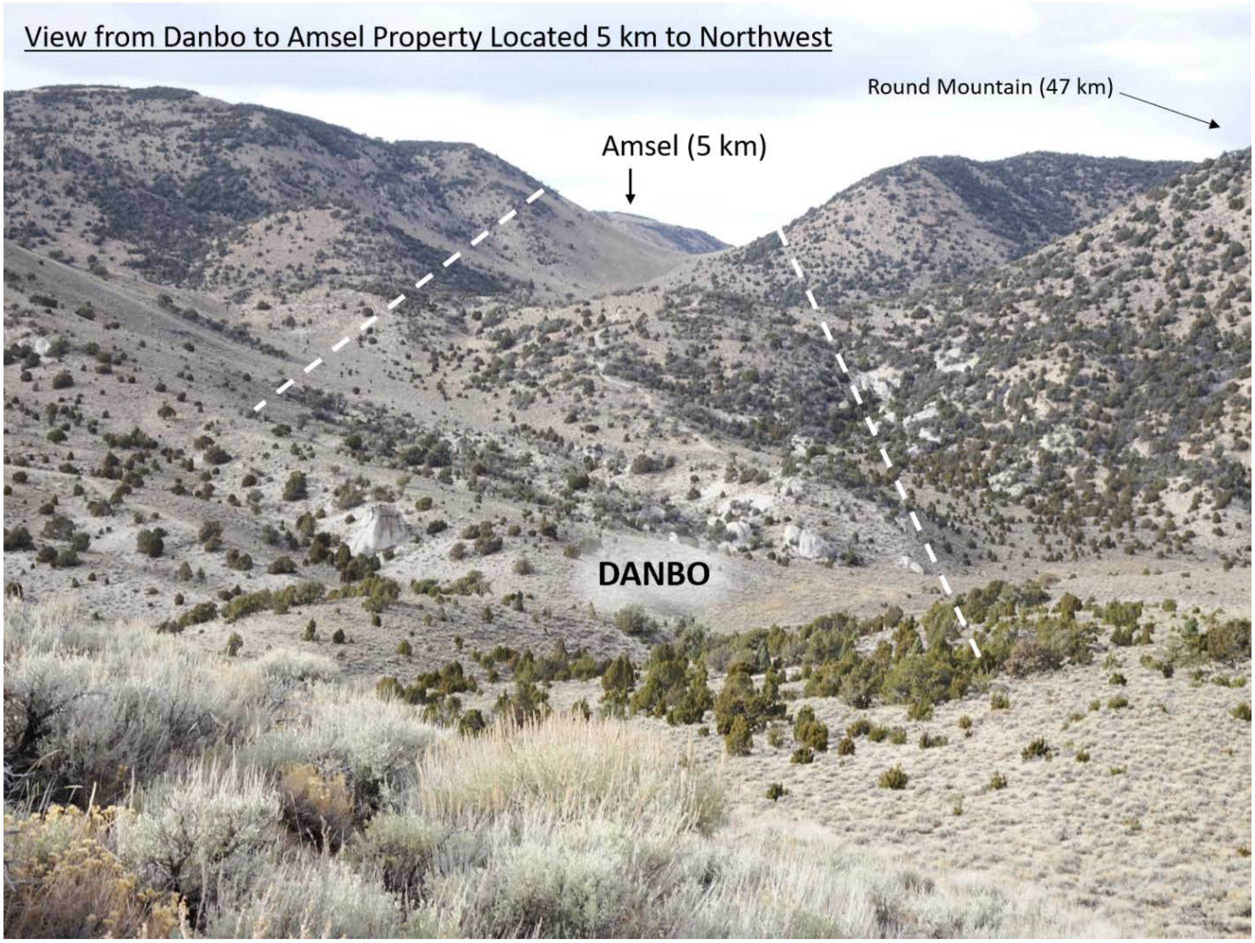

Figure 3. View northwest from the Danbo Property towards the Amsel Property, Nye County, Nevada.

Qualified Person

Dr. Michael H. Gunning, Ph.D., P.Geo, President, is a Qualified Person as defined by National Instrument 43-101, and has reviewed and approved the technical disclosure contained in this MDA.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company's consolidated financial statements. The following is a summary of selected financial data for the Company for its eight completed financial quarters ended March 31, 2018.

Quarter Ended Amounts in 000's	**June 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2017**	**Sept 30, 2017**	**June 30, 2017**	**Mar. 31, 2017**	**Dec. 31, 2016**	**Sept. 30, 2016**
Net income (loss)	(558)	(230)	(214)	(257)	(265)	(1,869)	(112)	(110)
Earnings (loss) per share – basic and diluted	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.11)	(0.01)	(0.01)
Total assets	7,302	6,475	4,646	4,994	4,945	5,555	1,959	1,581
Working capital	2,808	3,058	1,362	2,228	3,253	3,779	455	674

During the quarter ended June 30, 2018 the Company completed a private placement for gross proceeds of $700,900 and expenditures on exploration and evaluation assets of $590,249.

During the quarter ended March 31, 2018 the Company completed a private placement for gross proceeds of $2,007,500 resulting in an increase in total assets and working capital.

During the quarters ended September 30 and December 31, 2017 the Companies working capital decreased mainly because of the expenditures on exploration and evaluation assets.

During the quarter ended March 31, 2017 the Company completed a reverse acquisition and recorded a listing expense of $1,184,674. The Company, because of the reverse acquisition, completed a brokered and non-brokered financing for gross proceeds of $4,414,000 which increased the working capital and total assets of the Company.

The Company's general and administrative costs have been increasing over the last six quarters, particularly the quarter ended March 31, 2017, because of the reverse acquisition. The following financial results of operation describe in detail those expenses that have increased.

Three Months ended March 31, 2018 compared to three months ended March 31, 2017

The Company's general and administrative costs were $562,886 (2017 - $269,054), and reviews of the major items are as follows:

- Consulting fees of $17,240 (2017 - $14,706) consisting of CFO fee of $6,000 (2017- $ 6,000), Corporate Secretary of $8,240 (2017 - $5,706), strategic business plan of $Nil (2017 - $Nil) and other of $3,000 (2017 - $3,000);

- Foreign exchange (gain) loss of $(63,656) (2017 - $23,751), because the Company acquired USA dollars at an average price of $1.268 vs a period end rate of $1.325;

- Investor relations and promotion of $71,138 (2017 - $34,639) consisting of investor relations contract of $Nil (2017 - $15,000), conferences of $18,200 (2017 - $2,000), consulting of $34,655 (2017 - $Nil) and trade shows, mail outs, news dissemination, and other of $18,283 (2017 - $17,639);

- Professional fees of $22,349 (2017 - $24,995) consisting of legal of $13,288 (2017 - $10,157) and accounting and audit of $9,061 (2017 - $14,838);

- Salaries of $96,594 (2017 - $83,987) which consisted of the salaries for the CEO and geologist; and

- Share-based compensation of $376,972 (2017 - $51,869) for options issued during the period.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2018, the Company had working capital of $2,807,956 (March 31, 2018 - $3,058,314).

Because of economic conditions, globally, there is uncertainty in capital markets and the Company anticipates that it and others in the mineral resource sector will have limited access to capital. Although the business and assets of the Company have not changed, investors have increased their risk premium and their overall equity investment has diminished. The Company continually monitors its financing alternatives and expects to finance its fiscal 2018 operating overhead and acquisition and exploration expenditures through private placements.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all.

During the year ended March 31, 2018 the Company completed a private placement of 8,030,000 units at a price of $0.25 per share for gross proceeds of $2,007,500, less a $30,455 cash finder's fee, totalling net proceeds of $1,987,000. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of $0.40 to March 16, 2020. The Company also incurred share issuance costs of $29,176 and this amount was recoded as an offset to share capital.

On April 11, 2018 the Company completed a private placement of 2,595,925 units at a price of $0.27 per share for gross proceeds of $700,900, less a $26,200 cash finder's fee, totalling net proceeds of $674,700. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of $0.40 to April 11, 2020.

During the period ended June 30, 2018 the Company completed a private placement of 2,595,925 units at a price of $0.27 per share for gross proceeds of $700,900, less a $26,200 cash finder's fee, totalling net proceeds of $674,700. Each unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of $0.40 to April 11, 2020.

VR will use the gross proceeds for mineral exploration on its properties in Nevada, focused primarily the Bonita and Junction properties, and for general administrative and corporate purposes.

The Company has no long-term debt obligations.

SHARE CAPITAL

(a) As of the date of the MDA the Company has 47,292,257 issued and outstanding common shares. The authorized share capital is unlimited no-par value common shares.

(b) As at the date of the MDA the Company has 4,095,000 incentive stock options outstanding.

(c) As at the date of the MDA the Company has 13,543,036 share purchase warrants.

RELATED PARTY TRANSACTIONS

Key management personnel compensation for the period ended June 30, were:

	2018	2017
Short-term benefits paid or accrued:		
Professional fees paid to Blaine Bailey (CFO)	$ 6,000	$ 6,000
Consulting fee paid to Michael Thomson (Chair of Audit Committee and Director)	3,000	3,000
Salary paid to Michael Gunning (CEO)	48,000	48,000
	57,000	57,000
Share-based payments:		
Share based payments	$ 272,979	$ -
Total remuneration	**$ 329,979**	**$ 57,000**

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Directors of the Company are not currently compensated for their services.

The Company has an arrangement with Balmoral Resources Ltd. ("Balmoral"), a Company with a common director, to provide office space and corporate compliance support. During the period ended June 30, 2018 the Company paid to Balmoral $12,137 (2017 - $11,051) for office rent and other general and administrative expenses. As at June 30, 2018, the Company owed $659 (2017 - $9,939) to this company.

OFF BALANCE SHEET ARRANGEMENTS

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

INVESTOR RELATIONS and MARKETING

The Company engaged Peak Marketing Corp. ("Peak") under an arms length, independent consulting Contract, effective April 1, 2018, to work with the Company to develop and initiate various marketing strategies through the 2018 calendar year. The agreement was for an initial term of three months, with the option to renew if agreed upon by both parties. The Agreement was renewed on July 1, 2018, for six months ending December 31, 2018. Under the agreement, Peak is paid the sum of $10,000 per month.

The Company presented at the Metals Investor Forum in Vancouver in May 2018, and a schedule of marketing event participation is being planned for the fall season, 2018. The Company's website at http://www.vrr.ca was fully transitioned in Q3 2018, and the Company works with Peak Marketing on an ongoing basis to complete the transition and optimize web-based communication and marketing strategies. The Company has also put in place a social media platform and strategy going forward.

PROPOSED TRANSACTIONS

Currently the Company is not a party to any material proceedings. The Company continually evaluates new opportunities, including new properties by staking, acquisition or joint venture, and corporate consolidation or merger opportunities.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the period ended June 30, 2018 that had a material effect on its condensed consolidated interim financial statements. The Company's significant accounting policies are disclosed in Note 2 to its audited annual consolidated financial statements for the year ended March 31, 2018 and 2017.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards ("IAS") Board or International Financial Reporting Standards Interpretation Committee ("IFRIC") that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 16 *Leases*: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

IFRS 9: Financial Instruments

The Company has initially adopted IFRS 9, from April 1, 2018. The effect of initially applying these standards did not have a material impact on the Company's financial statements. Several other new standards are also effective from April 1, 2018, but they also did not have a material impact on the Company's financial statements.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There was no material impact to the Company's consolidated financial statements because of transitioning to IFRS 9.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(i) Classification and measurement of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets held to maturity, loans and receivables, and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

A financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets include cash and cash equivalents which is classified as FVTPL, and receivables which are classified at amortized cost.

(ii) Impairment of financial assets

An ‘expected credit loss’ (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets measured at amortized cost and subject to the ECL model include receivables.

The adoption of the ECL impairment model had no impact on the carrying amount of the Company's receivables on the transition date given they are substantially all current and there has been minimal historical customer default.

RISKS AND UNCERTAINTIES

The Company’s business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political, and economical.

The Company will take steps to verify the title to any properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Company’s title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company’s exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into production. If the Company’s efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liabilities to the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company considers the credit risk of receivables to be low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2017, the Company had a cash balance of $3,016,482 (2018 - $3,085,933) to settle current liabilities of $249,898 (2017 - $56,932). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is not subject to significant exposure to interest rate risk.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in USD. As at June 30, 2018 the amounts exposed to foreign currency risk include cash of US$143,533 (March 31, 2018 - US$228,908).

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 profit or loss, the ability to obtain financing, or the ability to obtain a public listing 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 profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity, consisting of issued common shares, stock options and warrants included in reserve, and subscriptions receivable.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will also assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There we no changes to the Company's approach to capital management during the year.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;

- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;

- the Company's estimates of the quality and quantity of the resources and reserves at its mineral properties;

- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;

- general business and economic conditions;

- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and

- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on several assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration;
- conditions in the financial markets generally;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. The current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to sustain operations.

DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the period ended June 30, 2018, the Company did not enter any standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries except as disclosed under "Related Party Transactions".

2. During the period ended June 30, 2018, officers of the Company were paid for their services as officers by the Company as noted above under "Related Party Transactions".

3. During the year ended June 30, 2018, the Company did not enter any arrangement relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.

APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.