PALLADIUM ONE MINING INC.

(formerly Nickel One Resources Inc.)
MANAGEMENT DISCUSSION AND ANALYSIS
For the Three Months Ended March 31, 2019

INTRODUCTION

The management discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Palladium One Mining Inc. (formerly Nickel One Resources Inc.) (the "Company" or "Palladium One") for the three months ended March 31, 2019. In order to better understand the MD&A, it should be read in conjunction with the unaudited financial statements and related notes for the three months ended March 31, 2019 and audited financial statements and related notes for the year ended December 31, 2018. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with appropriate regulatory authorities in Canada. This MD&A is current to May 30, 2019 and in Canadian dollars unless otherwise stated.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange ("TSX-V") and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

This MD&A has been prepared in accordance with the requirements of National Instrument 43-101, "Standards of Disclosure for Mineral Projects", and National Instrument 51-102, "Continuous Disclosure Obligations."

OVERVIEW

Palladium One Mining Inc. ("Palladium" or the "Company", formerly Nickel One Resources Inc.) is a mineral exploration and development company listed on the TSX Venture Exchange ("TSX-V") under the symbol "PDM" and is engaged in the exploration of mineral properties.

On May 3, 2019, the Company changed its name from Nickel One Resources Inc. to Palladium One Mining Inc. and its stock symbol from NNN to PDM.

HIGHLIGHTS DURING OR SUBSEQUENT TO THE THREE MONTHS ENDED MARCH 31, 2019

Change of Board and Management

On March 28, 2019, the Company appointed Mr. Derrick Weyrauch as Interim President and Chief Executive Officer and Director of the Company. Mr. Weyrauch is an experienced mining executive and corporate director with a CPA CA designation. His background includes finance, risk management, corporate restructuring and turnarounds, coupled with M&A strategy development, execution and post transaction integration.

On March 28, 2019, the Company appointed Mr. Lawrence Roulston as the board of director. Mr. Roulston is a mining professional with over 35 years of diverse hands-on experience. He is an advisor who is providing business advisory and capital markets expertise to the junior and mid-tier sectors of the mining industry.

Name change and share consolidation

On May 3, 2019, the Company changed its name from Nickel One Resources Inc. to Palladium One Mining Inc. and its stock symbol from NNN to PDM. The Company also consolidated its share capital on a ratio of one (1) new post-consolidated common share for every two (2) old pre-consolidated common shares. All shares and per share references in this MD&A have been retroactively restated accordingly unless noted otherwise.

Financing

On May 9, 2019, the Company completed a non-brokered private placement and issued 16,912,000 units at a price of $0.08 per unit for gross proceeds $1,352,960. Each unit consists of one common share and one common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.12 per share. The Company incurred a total of $8,470 in share issuance costs related to the private placement.

Settlement of Debts

On May 13, 2019, the Company completed an agreement to settle outstanding indebtedness with arm's length parties in the sum of $101,758 by the issuance of 925,072 common shares in the capital stock of the Company at a price of $0.11 per share. The arm's length parties are consultants and service providers that provided various services to the Company in 2016 and 2017.

Operations

Palladium One's net income from operations for the three months ended March 31, 2019 was $10,013 or $0.00 per common share (2018 – net loss $193,072 or $0.01 per common share). Assets totaled $91,674 as at March 31, 2019 (December 31, 2018 - $46,735).

Palladium One is an exploration stage company and engages principally in the exploration of resource properties. The Company expenses all direct and indirect costs pertaining to exploration and evaluation of mineral properties in the period in which they are incurred. These direct exploration and evaluation expenditures include such costs as acquisition costs, materials used, surveying costs, drilling costs and payments made to contractors. Costs not directly attributable to exploration and evaluation activities are expensed in the period in which they occur under another classification. As at March 31, 2019, $10,000 was expensed under exploration and evaluation expenditures (December 31, 2018- $529,475). Details of the expense break-down are contained in Note 6 Exploration and Evaluation Expenditures in the financial statements.

EXPLORATION UPDATE

Manitouwadge Ni-Cu-PGE Property (the "Tyko Project"), Canada

The Company did not undertake any exploration activities for the three months ended March 31, 2019.

The Manitouwadge Property (the "Tyko Project") was acquired through the purchase of Tyko, is a nickel (Ni), copper (Cu), platinum-group element (PGE) project, and as of May 17, 2019 comprised 104 single cell mining claims, registered to Tyko Resources Inc. and covering approximately 2,288 hectares. The mining cell claims are located in the Bigrock Lake and Olga Lake areas, and the townships of McGill and Shabotik, Thunder Bay Mining Division, Ontario, Canada (NTS 42C/13NW and 14NE).

There are two significant Ni-Cu-PGE showings or zones on the Tyko Project; the RJ and Tyko zones. These zones are separated by 2 km with a 10 km long interpreted ultramafic conduit structure that has strong potential to host additional Ni-Cu-PGE mineralization.

On March 8, 2016, the Company announced it would commence a diamond drilling program at the Tyko Project in order to confirm the orientation of known mineralization in the channel structures, extend the continuity of mineralization at the RJ and Tyko showings, and test additional targets, including the Bruce Lake Anomaly, an AeroTEM airborne geophysics anomaly. The diamond drilling program consisted of 14 drill holes, totalling 1,780 metres with five holes at the RJ zone (TK-16-001 to 005), six holes at the Tyko zone (TK-16-006 to 011), and three holes on the Bruce Lake Anomaly (TK-012 to 014). Final assay results from the diamond drilling program were reported on June 8, 2016.

The RJ Zone consists primarily of metamorphosed mineralized pyroxenite which has been intruded by later granitoid rocks. The mineralized pyroxenite contains abundant rip-up clasts of other mafic-ultramafic phases and clastic sediments indicative of an active feeder-type system. The mineralization is nickel-rich with an average Ni:Cu ratio of ~2:1 and a Pt:Pd ratio of ~1:1. Sulphides are typically disseminated to blebby with local patches of net-textured and semi-massive sulphide breccia.

The overall sulphide tenors of the Ni-Cu-PGE mineralization at the Tyko Property are very high. Previous analysis indicates tenors in 100% sulphide that average 13.0% Ni, 8.8% Cu, 6.6g/t PGE (Pt+Pd) at the RJ Zone and 12.9% Ni, 14.5% Cu, and 13.6g/t PGE at the Tyko Zone. The high tenor of the sulphide suggests a high value flotation concentrate could be generated from RJ- or Tyko-style mineralization. This indicates that even a disseminated sulphide deposit could potentially be economic and further supports the view that Nickel One's 100% owned Tyko Project contains a fertile magmatic feeder system. The Company's objective is to delineate this feeder system and ultimately develop mineral resources.

As at March 31, 2019, the Company has spent a total of $1,210,140 on the property since it was acquired by Tyko in 2010.

Lantinen Koillismaa PGE-Cu-Ni Project ("LK Project"), Finland

The Company did not undertake any exploration activities for the three months ended March 31, 2019.

The LK Project is located in north-central Finland approximately 60 km north of the village of Taivalkoski. The Property is situated about 130 km southeast of the town of Rovaniemi and 160 km northeast of the port city of Oulu and is accessed by major paved roads and local access on gravel or dirt roads.

The Project comprises two separate groups of registered and pending exploration permits totalling approximately 3,845 hectares, with two valid Exploration Permits (~414 ha) in the process of renewal and seven Exploration Permits (~3,431 ha), also in the process of renewal. These exploration permits cover the structurally separated sections of the two mineral deposits (Kaukua and Haukiaho).

The elements palladium, platinum, gold, copper, cobalt, and nickel are known to be present and have been analysed in drilling and surface sampling in the Property. The deposit type is a basal accumulation including PGE-Cu-Ni in the Koillismaa Layered Mafic Intrusion. This intrusion forms part of the 2.5-2.4 Ga Tornio-Näränkävaara Layered Intrusion Belt that runs roughly east- west across Finland and into neighbouring Russia.

On January 31, 2017, the Company signed a Definitive Agreement with Micron Waste Technologies Inc. ("Micron") (formerly Finore Mining Inc.) for the purchase of 100% interest in the Lantinen Koillismaa PGE-Cu-Ni project ("LK Project") located in North-central Finland. In 2018, the Company completed the acquisition pursuant to the Definitive Agreement and please refer to "Acquisition of Nortec Mineral Oy" for additional details.

On December 1, 2017, the Company filed a National Instrument 43-101 Technical Report relating to the LK Project, with an effective date of November 17, 2017.

Acquisition of Nortec Mineral Oy

On February 28, 2018, the Company completed the acquisition pursuant to the Definitive Agreement. The Company paid Micron 2,500,000 common shares of Nickel One with a fair value of $275,000 and 1,250,000 common share purchase warrants, exercisable at $0.24 for 24 months. The share purchase warrants have a fair value of $65,769 which has determined using a Black Scholes valuation model with the following assumptions:

	2018
Forfeiture rate	0.00%
Estimated risk-free rate	1.78%
Expected volatility	139%
Estimated annual dividend yield	0.00%
Expected life of options	2 years

In connection with the acquisition, the Company issued 125,000 common shares with a fair value of $11,250 as a finder's fee.

The following table summarizes the allocation of the purchase price and related acquisition costs to the fair value of the assets acquired and liabilities assumed of Nortec at the date of acquisition:

Purchase price (2,500,000 common shares)	$	275,000
Fair value of warrants (1,250,000 common share purchase warrants)		65,769
Transaction costs (125,000 common shares)		11,250
Total cost of acquisition	**$**	**352,019**
Cash and cash equivalents	$	4,932
Prepaid expensed and deposits		14,438
Sales tax receivable		6,449
Equipment		892
Accounts payable and accrued liabilities		(201,208)
Mineral property		526,516
Net identifiable assets acquired	**$**	**352,019**

The value attributed to the acquisition of the mineral property is included exploration and evaluation in profit and loss in line with the Company's policy mineral exploration and evaluation expenditures.

Scott Jobin-Bevans, P. Geo. a director and VP Exploration for the Company, is the Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the technical information in this document. Dr. Jobin-Bevans is a registered geoscientist with over 30 years 'experience in the mineral exploration industry.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three months ended March 31, 2019 and 2018

During the three months ended March 31, 2019, the Company reported a net income before comprehensive loss of $10,013 (2018 – net loss $193,072), a decrease of $183,059. The primary contributors to the decrease in net loss were:

- A recognized a gain of $108,514 in debt settlements with certain dissident shareholders as per settlement agreement in comparison with a gain of $10,000 on forgiveness of debt settlement during the same quarter in the prior year.

- Decreases in consulting fees in the amount of $48,000, professional fees of 12,828 and travel and promotion expenses of $17,800 mainly due to the Company have a lower level of corporate activity during the three months ended March 31, 2019.

Exploration and evaluation expenditures

The Company expenses all exploration costs as incurred. During the three months ended March 31, 2019, the Company expensed $10,000 (2018 - $nil) in exploration and evaluation expenditures.

Other income and expenses

During the three months ended March 31, 2019, the Company had other income of $108,521. This was mainly due to the gain on debt settlement in the amount of $122,674 but was partially offset by forgoing the $14,160 accrued interests on loan receivable.

During the three months ended March 31, 2018, the Company incurred $10,413 in other non-operating expenses. This was comprised of interest income of $413, and a gain on debt settlement of $10,000.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes selected financial data reported by the Company for the years ended December 31, 2018, 2017, and 2016. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and the related notes thereon.

		2018		2017		2016
Current assets	$	46,067	$	146,529	$	187,784
Investments		-		-		87,727
Total assets		46,735		146,529		187,784
Current liabilities		508,593		402,393		243,806
Capital stock		5,722,739		5,087,594		4,783,288
Reserves		707,054		644,685		558,188
Net income (loss)		(868,908)		(625,245)		(2,938,684)
Deficit		(6,891,651)		(6,022,743)		(5,397,498)
Earnings (loss) per share	$	(0.04)	$	(0.04)	$	(0.24)
Weighted average shares		24,699,674		18,283,239		12,130,736

SUMMARY OF QUARTERLY RESULTS

The following summary information is taken from the Company's quarterly and annual financial reports covering the last eight reporting quarters.

	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
Operating expenses	$(118,534)	*$(583,955)	$(28,376)	$(64,829)	$(203,485)	$(179,096)	$(63,157)	$(166,972)
Other income or (expense)	*$108,521	$454	$443	$427	$10,413	$12,212	$403	$24,847
Net income (loss)	$(10,013)	$(583,501)	$(27,933)	$(64,402)	$(193,072)	$(166,884)	$(62,754)	$(142,125)
Basic and diluted earnings (loss) per share	$ 0.00	$(0.01)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)
Total assets	91,674	46,735	$51,209	$58,102	78,547	$146,529	$123,726	$170,266
Shareholders' (deficiency)	$(373,371)	$(461,881)	$(405,343)	$(350,138)	$(289,201)	$(255,864)	$(123,980)	$(61,226)
Capital stock	$5,722,739	$5,722,739	$5,722,239	$5,727,239	$5,436,579	$5,087,594	$5,157,894	$5,157,894
Subscriptions received	$98,500	-	-	-	-	$35,000	-	-
Reserves	$707,054	$707,054	$707,054	$707,054	$636,785	$644,685	$573,985	$573,985
Deficit	$6,901,664	$6,891,651	$6,308,621	$6,280,217	$6,215,815	$6,022,743	$5,855,859	$5,793,105

*During the quarter ended March 31, 2019, other income was increased significantly due to the Company entering into an agreement to settle outstanding indebtedness which resulted in a gain of $122,674

* The high level of operating expenses in the quarter ended December 31, 2018 due to an increase in exploration and evaluation expenditures of $526,507 as a result of the LK projects.

LIQUIDITY AND CAPITAL RESOURCES

Three months ended March 31, 2019 and 2018

As at March 31, 2019, the Company reported a working capital deficit of $373,371 (December 31, 2018 - $461,858). The increase in working capital was primarily the result of the gain on debt settlement and share subscriptions received in advance from a private placement.

Cash used in operating activities during the three months ended March 31, 2019 was $100,117 (2018 - $232,911) due to the Company recognizing a gain on debt settlement in the current quarter and incurring less costs in connection with operating activities.

Cash used in investing activities for the three months ended March 31, 2019 was $nil (2018 – $67,028). The Company spent cash in connection with the acquisition of a mineral property in the same quarter in prior year.

Cash proceeds generated from financing activities for the three months ended March 31, 2019 was $150,500 (2018 - $290,687). This was in connection with receiving share subscriptions in advance and acquiring a short-term loan from a third party.

Shareholders' equity

On May 3, 2019, the Company also consolidated its share capital on a ratio of one (1) new post-consolidated common share for every two (2) old pre-consolidated common shares. The following shares and per share references have been retroactively restated accordingly unless noted otherwise.

During the three months ended March 31, 2019, the Company received $98,500 in share subscriptions in advance for the private placement that closed on May 9, 2019.

During the year ended December 31, 2018, the Company issued 2,500,000 common shares with a fair value of $275,000 and 1,250,000 common share purchase warrants at a price of $0.24 for the acquisition of Nortec. In connection with the acquisition, the Company issued 125,000 common shares with a fair value of $11,250 as a finder's fee.

During the year ended December 31, 2018, the Company issued 50,000 common shares for $8,000 worth of warrants exercised.

At December 31, 2018, capital stock was $5,722,739 comprised of 25,865,276 issued and outstanding common shares (2018 - $5,712,781 comprised of 25,690,277 shares outstanding). Reserves which arise from the recognition of the estimated fair value of stock options was $707,054 (2018 - $644,285). As a result of the net loss for the three months ended March 31, 2019 of $10,087 (2018 – net loss $193,072), the deficit at March 31, 2019 decreased to $6,901,738 from $6,891,651 at December 31, 2018. Accordingly, shareholders' deficit was $373,445 as compared to shareholders' deficit of $461,858 at December 31, 2018.

Loan receivable

At December 31, 2018, The Company had a loan receivable $18,335 which was comprised of a principal balance of $4,175 and accrued interest of $14,160.

During the quarter ended March 31, 2019, the Company agreed to forgo the accrued interest of $14,160 on the loan receivable. Subsequent to the quarter ended, the Company received the principal balance of $4,175.

Loans payable

As at March 31, 2019, $52,000 in loans payable remains outstanding (December 31, 2018 - $nil). Subsequent to the quarter ended March 31, 2019, the Company paid off the short-term loans of $52,000 in cash.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. See "Risks and Uncertainties".

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company may raise money through the sale of equity instruments. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control.

COMMITMENTS

As of March 31, 2019, the Company had no material lease obligations or significant contractual obligations other than those associated with its loans payable.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off balance sheet arrangements.

FINANCIAL INSTRUMENTS

As at March 31, 2019, the Company's financial instruments consist of cash, sales tax receivable, loan receivable, accounts payable and accrued liabilities, loans payable and loans payable to related parties. The carrying values of these financial instruments approximate their fair values because of their short-term nature and/or the existence of market related interest rates on the instruments. The Company's investments, under the fair value hierarchy, are based on level one input.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and receivables. The Company's cash is held through a large Canadian financial institution. The Company's receivables consist of sales tax receivable due from the Government of Canada and Finland of $13,096 (December 31, 2018 - $2,307), and a loan receivable of $4,175 (December 31, 2018 - $18,335).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 11 of these financial statements. As at March 31, 2019, the Company had a cash balance of $51,405 (December 31, 2018 - $1,022) to settle current liabilities of $465,045 (December 31, 2018 - $508,593). The Company will need to raise sufficient funds to meet its obligations.

Other Market Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management consists of the Company's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. Remuneration of key management includes the following:

	Three months ended March 31, 2019	Year ended December 31, 2018
Salaries and consulting fees	40,000	160,000
Share-based compensation	Nil	Nil
Total remuneration	40,000	160,000

Related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

- The balance payable to related parties as at March 31, 2019 was $45,200 (December 31, 2018 - $196,074) and is included in accounts payable and accrued liabilities. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 3 to the consolidated financial statements for the year ended December 31, 2018. The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. Areas where estimates were used for the year ended December 31, 2018 include the valuation of acquisition of mineral property transactions.

NEW AND REVISED STANDARDS AND INTERPRETATIONS

IFRS 9*, Financial Instruments* (new; replaces IAS 39)

On January 1, 2018, the Company adopted the requirements of IFRS 9. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following table shows the classification of the Company's financial assets and liabilities under IFRS 9:

Financial asset or liability	IAS 39 Classification	IFRS 9 Classification
Cash and cash equivalents	Amortized cost	FVTPL
Loans Receivables	Amortized cost	Amortized cost
Loans Payable to related parties	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there was no impact on the Company's consolidated financial statements and no restating of prior periods will be required.

IFRS 15, *Revenue from Contracts with Customers* (new, replaces IAS 18)

On January 1, 2018, the Company adopted IFRS15, which supersedes IAS 18- Revenue ("IAS18"). IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customer. The standard is effective for annual periods beginning on or after January 1, 2018.

The Company is a junior mining exploration company and it currently does not generate any revenue from contracts with customers. Therefore, the adoption of this standard did not have any significant impact on the Company's consolidated financial statements.

IFRS 16- *Leases:* (new, replaces IAS 17)

On January 1, 2019, the Company adopted IFRS 16, which supersedes IAS 17- Leases ("IAS 17"). The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company is using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. IFRS 16 requires lessees to recognize a right of use of asset and a lease obligation at the lease commencement date. The Company has assessed its office lease agreement and concluded that agreement does not constitute the ability to direct the use (right to use) of the underlying office premises in the context of IFRS 16. As such, the adoption of the standard has not had an impact on these condensed interim consolidated financial statements.

IFRIC 23 - *Uncertainty over Income Tax Treatments*:

On January 1, 2019, the Company adopted IFRIC 23, which is new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments.

The Company is a junior mining exploration company and it currently does not generate any income tax liability. Therefore, the adoption of this standard did not have any significant impact on the Company's condensed interim consolidated financial statements.

RECENT DEVELOPMENTS AND OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its exploration and evaluation assets.

RISKS AND UNCERTAINTIES

The Company recognizes that certain risks are inherent in its business plan, which requires the Company to manage its affairs to minimize the potential impact of such risks to its operations. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities. Please refer to the financial statement for the year ended December 31, 2018 for more detailed discussion of such risk factors.

PROPOSED TRANSACTIONS

There are no proposed transactions that should be disclosed.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at the date of this MD&A, the following common shares, options, and share purchase warrants were outstanding:

	Number of shares	Exercise price	Expiry date
Issued and outstanding common shares	43,702,350		
Share purchase warrants	1,121,658	$0.16	June 21, 2019
Share purchase warrants	1,250,000	$0.24	February 28, 2020
Share purchase warrants	1,680,000	$0.20	March 19, 2020
Share purchase warrants	25,000	$0.20	April 27, 2020
Share purchase warrants	16,912,000	$0.12	May 9, 2021
Stock options	437,500	$0.30	March 29, 2021
Fully diluted	65,128,508		

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Statement of Operations and Comprehensive Loss contained in its unaudited financial statements for March 31, 2019, that are available on SEDAR (*www.sedar.com*).

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.