The following discussion and analysis of the operations, results, and financial position of Gray Rock Resources Ltd. (the "Company" or "Gray Rock") should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the notes thereto.

This Management Discussion and Analysis ("MD&A") is dated April 17, 2019 and discloses specified information up to that date. Gray Rock is classified as a "venture issuer" for the purposes of National Instrument 51-102.

We recommend that readers consult the "Cautionary Statement" on the last page of this report.

Additional information relating to the Company can be obtained by contacting David Wolfin, the President & CEO of the Company, on SEDAR at www.sedar.com, or on the Company's website at www.grayrockresources.com.

Business Overview

Gray Rock Resources Ltd. ("the Company") was incorporated under the laws of the Province of British Columbia. Its principal business comprises the exploration for and development of mineral properties.

The Company is in the exploration stage. The common shares of the Company commenced trading on the TSX Venture Exchange on November 29, 2006 under trading symbol GRK. The Company is classified as a Mineral Exploration company. The financial statements, to which this MD&A relates, have been prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has accumulated losses of $3,999,864 since incorporation. The Company's ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

Overall Performance

Silver Stream Property

Located 25km northeast of Bralorne, B.C., in the Lillooet mining district of British Columbia, the Company holds 100% tenure in the Silver Stream I and II mineral claims (the "Silver Stream Property"). First explored in 1988, the Silver Stream Property has produced a number of anomalous-to-significant gold showings in sampling, trenching, and drilling. Although still an "early-stage" property, a July 2006 Technical Report filed on SEDAR states: *"…the nature of the mineralization seen in the known showings in the context of the Bridge River camp show the property has good potential to develop economic gold mineralization."*

The renowned Bralorne gold mine, which produced 4.1 million ounces of gold between 1932 and 1971, lies about 25 kilometers southwest of Silver Stream. The average grade of the Bralorne mine complex was 0.52 opt gold, and it remains the largest historic gold producer of the Canadian Cordillera.

Documented gold exploration on the Silver Stream Project, undertaken between 1987 and 2014, has involved approximately 1,759m of diamond drilling in 10 holes, hand and excavator trenching, mapping, rock geochemistry, and reconnaissance and grid soil geochemistry. Two significant zones of gold mineralization have been discovered, the Silverstream West and Southeast zones.

At December 31, 2018, mineral claims Silver Stream I and II remain in good standing.

Mineral Claim Lease Agreement

The Company had previously entered into a mining lease agreement for the Silver Stream properties with Saxifrage. In accordance with the terms of the agreement, Saxifrage has agreed to pay the Company an annual rental of $12,000 starting December 12, 2016, or perform annual exploration and/or development work of at least $12,000 in value in lieu of the $12,000 payment due each year. In addition, the Company granted Saxifrage an option to purchase the property for $500,000 payable at any time during the term of the agreement, subject to a 5% Net Smelter Returns Royalty on metals and a 5% Gross Overriding Royalty on any jade production. Any future royalty payments due to the Company from Saxifrage after the exercise of option shall be reduced by $500,000.

In October 2017, the Company amended the existing mineral lease claim agreement for the Silver Stream I and II properties, by assigning and transferring to Marshall Creek Jade Inc. (“Marshall Creek”) all rights, titles, interest and obligations from Saxifrage Geological Services Ltd. (“Saxifrage”). All other terms of the agreement remained the same.

In November 2018, the Company received a termination notice from Saxifrage to terminate the mining lease agreement for the Silver Stream properties. The Company had not received any royalty payment from the Silver Stream properties because the properties were not place into commercial production. The mineral claims comprising the Silver Stream properties remain in good standing until July 29, 2021.

Surprise Lake & Hot Bath Properties

a) Update on Surprise Lake & Hot Bath Properties

In June 2018, the Company transferred the Surprise Lake and Hot Bath Properties back to DeCoors and terminated the Company’s acquisition of the Surprise Lake Property and the Hot Bath Property, consisting of 64 mineral claims in total (originally 82 mineral claims, with 16 claims being amalgamating into other claims during the year). In consideration of the transfer, DeCoors released the Company from any further obligation to release from escrow the original acquisition consideration consisting of a 3.2 million common share portion remaining in escrow, and compensated the Company with a settlement payment in the form of 200,000 common shares of Garibaldi Resources Corp. (TSX.V: GGI) owned by DeCoors which were delivered to the Company. As a result of this transaction, the Company recorded a cost recovery of $624,000, which represents the value of the Garibaldi common shares on the closing date.

b) Surprise Lake Property

In February 2017, the Company announced closing of a definitive agreement (the “Agreement”) with DeCoors to acquire the Surprise Lake Property. The Agreement covers six early-stage mineral exploration properties comprising of 82 mineral claims. As consideration, the Company issued to DeCoors four million common shares and reimbursed DeCoors $30,000 for its location and exploration costs on the Surprise Lake Property. In addition, DeCoors will retain a 1.5% net smelter returns royalty (the “NSR”) on each of the purchased properties, until the Company has paid $2.0 million under the NSR of any property placed into commercial production. Each NSR will be subject to the Company’s exclusive option to purchase all of any part of the NSR at any time at the rate of $666,667 for every one-third of a NSR (i.e., 0.5% NSR), or $2.0 million in the aggregate for the total NSR.

At December 31, 2017, the Company conducted a comprehensive review of the property, and made the determination not to continue with exploration work at Surprise Lake. As such, the Company has written the property off and recorded an impairment expense of $1,665,687.

c) Hot Bath Property

In August 2017, the Company announced that it had closed a binding option agreement (the "Option Agreement") with DeCoors Mining Corp. ("DeCoors") to acquire the Hot Bath Property, located near Dease Lake, British Columbia, comprising eleven mineral claims covering a total area of 3,634 hectares.

The Option Agreement allows the Company may make three option payments to DeCoors by the issuance of common shares of Gray Rock in three installments up to a total of 1,500,000 shares over three years. The first 150,000 of the 1,500,000 shares should be issued on or before the first anniversary of the Approval Date (being August 3, 2018). The next 450,000 shares should be issued on or before the second anniversary of the Approval Date, and the balance of 900,000 shares should be issued on or before the third anniversary of the Approval Date. DeCoors will retain a 1.5% net smelter return royalty (the "NSR") from commercial production. The Company may elect to reduce DeCoors' NSR to only 0.5% at any time prior to the commencement of commercial production, upon the payment of $1,000,000 to DeCoors.

At December 31, 2017, the Company conducted a comprehensive review of the property, and made the determination not to continue with exploration work at Hot Bath. As such, the Company has written the property off and recorded an impairment expense of $232,712.

Review of Operations

Year ended December 31, 2018 compared with the year ended December 31, 2017.

	2018	2017	Note
General and Administrative Expenses			
Administrative salaries and benefits	$ 37,695	$ 33,541	
Automobile	659	378	
Consulting and management fees	30,000	45,000	**1**
Depreciation	3,813	-	
Foreign exchange loss	15	172	
Interest and bank charges	117	274	
Listing and filing fees	10,997	16,805	**2**
Office and miscellaneous	11,321	12,487	
Professional fees	32,042	25,990	
Share-based compensation	-	642,800	**3**
Shareholder information	4,245	23,251	**4**
Transfer agent fees	6,589	8,405	
Travel	91	14,752	**5**
Loss Before Other Items	(137,584)	(823,855)	
Other Items			
Interest and other income	942	-	
Fair value adjustment to promissory notes payable	(6,208)	7,766	**6**
Impairment write-down of exploration and evaluation assets	-	(1,898,399)	**7**
Settlement proceeds from mineral property costs	624,000	-	**8**
Net Income (Loss) For the Year	481,150	(2,714,488)	**9**
Other Comprehensive Income (Loss)			
Items that will not subsequently be re-classified to net income			
Unrealized gain (loss) on investments	(432,269)	611	**10**
Total Comprehensive Income (Loss)	48,881	(2,713,877)	
Basic and Diluted Earnings (Loss) per Share			
Basic	$ 0.02	$ (0.13)	**9**
Diluted	$ 0.02	$ (0.13)	**9**
Weighted Average Number of Shares Outstanding			
Basic	22,257,897	21,541,012	
Diluted	22,539,872	21,541,012	

1. During the year ended December 31, 2018, consulting and management fees were $30,000 compared to $45,000 for the year ended December 31, 2017. As a result of the transfer of the Surprise Lake and Hot Bath properties, it was determined that additional expertise to manage the expanded operations of the Company was no longer required.

2. During the year ended December 31, 2018, listing and filing fees were $10,997 compared to $16,805 for the year ended December 31, 2017. This is a result of additional filing fees incurred for the appointment of new directors, an increase in news releases, and additional filing requirements during the year ended December 31, 2017, compared to the current period.

3. During the year ended December 31, 2018, no stock options were granted to officers, directors, consultants, and employees, only cancellations of previously-issued stock options. In the same period last year, the Company granted 1,940,000 stock options, and as a result share-based compensation of $642,800 was recorded.

4. During the year ended December 31, 2018 shareholder information costs were $4,245 compared to $23,251 for the year ended December 31, 2017. The higher expense in the year ended December 31, 2017 is due to shareholder communication with regards to the acquisition of Surprise Lake and Hot Bath properties, as well as redesign and update of Gray Rock's website. During the current period, only the maintenance of the website occurred.

5. During the year ended December 31, 2018, travel expenses were $91 compared to $14,752 for the year ended December 31, 2017. The higher travel expenses in 2017 were due to travel for investor relations purposes for the Surprise Lake and Hot Bath properties.

6. During the year ended December 31, 2018 and 2017, amounts payable to a related party were converted into non-interest bearing, long-term promissory notes payable. Upon recognition of the promissory notes, a fair value adjustment of $6,208 (2017 - $7,766) was recorded. See Related Party Transactions section of the management discussion and analysis for further details on the fair value calculations.

7. During the year ended December 31, 2017, the Company conducted a comprehensive review of the Surprise Lake and Hot Bath properties and had written the properties off, and recorded an impairment expense of $1,898,399. There was no comparable transaction in 2018.

8. During the year ended December 31, 2018, the Company received 200,000 shares of Garibaldi Resources Corp. as part of the DeCoors settlement, and recorded a settlement proceeds of mineral property costs of $624,000. This represents the fair value of the shares received on the date of closing. There was no comparable transaction in 2017.

9. As a result of these decreased expenses and settlement proceeds from mineral property costs, the Company recorded net income of $481,150, an increase of $3,195,638 compared to the net loss of $2,714,488 from the year ended December 31, 2017. The change resulted in basic and diluted earnings per share of $0.02 compared to the basic and diluted loss per share of $0.13 for the same period in 2017.

10. During the year ended December 31, 2018, the Company recorded unrealized losses on the revaluation of its investments from the beginning of the period, or date of acquisition, to the end of the period at December 31, 2018.

Three months ended December 31, 2018 compared with the three months ended December 31, 2017.

	2018	2017	Note
General and Administrative Expenses			
Administrative salaries and benefits	$ 8,066	$ 9,935	
Automobile	184	158	
Consulting and management fees	7,500	7,500	
Depreciation	953	-	
Foreign exchange (gain) loss	279	18	
Interest and bank charges	18	9	
Listing and filing fees	1,350	2,161	
Office and miscellaneous	4,924	2,043	**1**
Professional fees	3,475	4,882	**2**
Shareholder information	258	4,384	**3**
Transfer agent fees	642	1,373	
Travel	42	1,266	**4**
Loss Before Other Items	(27,691)	(33,729)	
Other Items			
Interest and other income	1	-	
Fair value adjustment to promissory notes payable	23,329	29,537	**5**
Impairment write-down of exploration and evaluation assets	-	(1,898,399)	**6**
Net Loss For the Year	(4,361)	(1,902,591)	**7**
Other Comprehensive Loss			
Items that will not subsequently be re-classified to net income			
Unrealized loss on investments	(160,344)	(51)	**8**
Total Comprehensive Loss	(164,705)	(1,902,642)	
Basic and Diluted Loss per Share	$(0.00)	$(0.09)	**7**
Weighted Average Number of Shares Outstanding	22,260,461	22,960,461	

1. During the three months ended December 31, 2018, office and miscellaneous expenses were $4,924 compared to $2,043 during the same quarter last year. The increase of $2,881 is due to increased IT costs.

2. During the three months ended December 31, 2018, professional fees were $3,475 compared to $4,882 during the same quarter last year. The decrease of $1,407 is due to higher corporate activity during the three months ended December 31, 2017.

3. During the three months ended December 31, 2018, shareholder information expenses were $258 compared to $4,384 for the three months ended December 31, 2017. The higher expense in the three months ended December 31, 2017 is due to shareholder communication with regards to the acquisition of Surprise Lake and Hot Bath properties.

4. During the three months ended December 31, 2018, travel expenses were $42 compared to $1,266 for the three months ended December 31, 2017. The higher travel expenses in the three months ended December 31, 2017 are due to travel for investor relations purposes for the Surprise Lake and Hot Bath properties.

5. During the three months ended December 31, 2018 and 2017, amounts payable to a related party were converted into non-interest bearing, long-term promissory notes payable. During the three months ended December 31, 2018, fair value adjustments relating to the initial recognition and accretion of the discounting period of $23,329, compared to $29,537 recorded in the three months ended December 31, 2017.

6. During the three months ended December 31, 2017, the Company conducted a comprehensive review of the Surprise Lake and Hot Bath properties and had written the properties off, and recorded an impairment expense of $1,898,399. There was no comparable transaction in the three months ended December 31, 2018.

7. As a result of these movements, net loss for the three months ended December 31, 2018, was $4,361, an increase of $1,898,230 from the net loss of $1,902,591 for the three months ended December 31, 2017. The increase in net loss increased the net loss per share to 0.00, from net loss of 0.09 in the three months ended December 31, 2017.

8. During the three months ended December 31, 2018, the Company recorded unrealized losses on the revaluation of its investments from the beginning of the period, or date of acquisition, to the end of the period at December 31, 2018.

Selected Annual Information

The following financial data is derived from the Company's financial statements for the most recently completed and comparative fiscal years:

	December 31, 2018	December 31, 2017	December 31, 2016
Total revenues	-	-	-
Net Income (Loss) for the year	$ 481,150	$ (2,714,488)	$ (10,978)
Basic and Diluted Earnings (Loss) per share	0.02	(0.13)	(0.00)
Total Assets	626,457	466,016	391,031
Total Liabilities	181,770	195,211	193,202
Working Capital	100,437	129,554	48,724

Summary of Quarterly Results

Quarter ended	2018 Dec. 31 Q4	2018 Sep. 30 Q3	2018 Jun. 30 Q2	2018 Mar. 31 Q1	2017 Dec. 31 Q4	2017 Sep. 30 Q3	2017 Jun. 30 Q2	2017 Mar. 31 Q1
Total Revenue	-	-	-	-	-	-	-	-
Net income (loss)	(4,361)	(44,671)	562,974	(32,792)	(1,902,591)	(33,267)	(253,267)	(525,363)
Other comprehensive income (loss)	(160,344)	(238,609)	(32,321)	(994)	(51)	(166)	(1,074)	1,902
Basic earnings (loss) per Share	(0.00)	(0.00)	0.03	(0.00)	(0.09)	(0.00)	(0.01)	(0.03)
Diluted earnings (loss) per Share	(0.00)	(0.00)	0.03	(0.00)	(0.09)	(0.00)	(0.01)	(0.03)
Total Assets	626,457	789,165	1,038,231	458,675	466,016	2,723,380	2,168,573	2,207,840

The overall decrease in expenses during the fourth quarter of 2018 is a direct result of the Company recoding fair value adjustments on the promissory note payable during the period. The overall increase in other comprehensive loss in the fourth quarter of 2018 is a direct result of the Company recording unrealized loss on investments. The overall increase in other comprehensive loss during the third quarter is a direct result of the Company recording unrealized loss on investments. The overall decrease in expenses during the second quarter of 2018 is a direct result of the Company recording cost recovery on disposition of mineral property of $624,000 during the period. The overall increase in expenses during the fourth quarter of 2017 is a direct result of the Company recording impairment expenses of $1,898,399 during the period. The increases in the first and second quarters of 2017 are a direct result of the Company granting 1,465,000 and 520,000 stock options, respectively, to officers, directors, consultants, and employees, and recognizing $476,000 and $166,800, respectively, in share-based compensation expense during these two quarters. Historically, the Company has generally kept its operating expenditures consistent, and will continue to review ways to reduce costs into 2019. Management expects to continue to keep the operating costs of the Company to a minimum until such time as it resumes exploration activities.

Liquidity and Capital Resources

Historically, the Company has raised funds through equity financing to fund its operations. At December 31, 2018, the Company had a cash balance of $115,242, working capital of $100,437, and accumulated losses of $3,999,864 since incorporation. The Company's ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future. However, there can be no assurance that the Company will be able to obtain additional financing, or achieve profitability or positive cash flow. If the Company is unable to generate positive cash flow or obtain adequate financing, the Company will need to further decrease its operations and exploration activities.

During the year ended December 31, 2018, the Company received proceeds from the exercise of warrants of $125,000 (2017 - $53,750).

On September 15, 2017, the Company closed a non-brokered private placement of 640,500 units at a price of $0.40 per unit for gross proceeds of $256,200. Each unit consists of one (1) common share and one half (1/2) non-transferrable share purchase warrant. Each warrant will entitle the investor to purchase one additional common share in the capital of the Company at an exercise price of $0.60 for a term of one year expiring on September 15, 2018. During the year ended December 31, 2018, the Company extended the terms of the purchase warrants to a term of three years expiring on September 15, 2020.

On February 16, 2017, the Company closed a non-brokered private placement of 1,000,000 units at a price of $0.30 per unit for gross proceeds of $300,000. Each unit consists of one (1) common share and one half (1/2) non-transferrable share purchase warrant. Each warrant will entitle the investor to purchase one additional common share in the capital of the Company at an exercise price of $0.50 for a term of one year expiring on February 15, 2018. During the year ended December 31, 2018, the Company extended the terms of the purchase warrants to a term of three years expiring on February 15, 2020.

The Company is reviewing other financing options to raise capital in 2019 to meet its current and future obligations and operating expenses.

The Company is in the exploration stage. The investment in and expenditures on the mineral properties comprise substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern is dependent upon the continued support from its directors, the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Mineral exploration and development are capital extensive, and in order to maintain its interest the Company will be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Related Party Transactions

(a) Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Consulting fees, wages and benefits	$ 39,554	$ 36,240
Share-based compensation	-	476,000
	$ 39,554	$ 512,240

(b) Promissory notes payable to related parties

	Intermark Capital Corp.		Oniva	
	2018	2017	2018	2017
Beginning balance	$ 12,888	$ 21,042	$ 164,569	$ 138,175
Borrowing	10,500	18,375	24,718	37,631
Repayment of the note	(18,375)	(30,000)	(37,632)	-
Loss on repayment of the note	4,702	8,327	9,630	-
Unwinding of the discount	785	631	18,950	17,613
Fair market interest adjustment	(3,136)	(5,487)	(24,723)	(28,850)
Ending balance	$ 7,364	$ 12,888	$ 155,512	$ 164,569

As at December 31, 2018, $221,723 (2017 - $234,637) was due to Oniva International Services Corp. (“Oniva”). The Company receives rent, office and administrative supplies, and services from Oniva, a private company related by common management.

At December 31, 2018, the Company and Oniva agreed to convert the current portion due to Oniva of $24,718, along with the existing $197,005, to a long-term promissory note payable of $221,723 that is non-interest bearing, unsecured, and due on demand after December 31, 2021.

The carrying value of the promissory note at December 31, 2018 is discounted to $155,512

(2017 - $164,569), reflecting a fair market interest rate. The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the three year period. The initial fair value adjustment of $24,723 (2017 – $28,850) was recognized in the statement of operations and comprehensive income (loss). The Company further recorded expenses of $18,950 related to the quarterly unwinding of the discount during the year ended December 31, 2018 (2017 - $17,613).

During the year ended December 31, 2018, the Company entered into a loan agreement with one of its directors. The Company and the director agreed to convert the current portion due to the director of $10,500, to a long-term promissory note payable. The note payable is non-interest bearing, unsecured and is due on demand after December 31, 2021.

The fair value of the promissory note at December 31, 2018 is discounted to $7,364, reflecting a fair market interest rate. The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the period. The initial fair value adjustment recognized in the year ended December 31, 2018 of $3,136 was recognized in the statement of operations and comprehensive income (loss).

During the year ended December 31, 2017, the Company entered into a loan agreement with one of its directors. The Company and the director agreed to convert the current portion due to the director of $18,375 to a long-term promissory note payable. The note payable is non-interest bearing, unsecured and is due on demand after December 31, 2020. The note payable was repaid during the year ended December 31, 2018.

The fair value of the promissory note at December 31, 2017 was $12,888. The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the period. The initial fair value adjustment recognized in the year ended December 31, 2017 of a gain of $5,487 was recognized in the statement of operations and comprehensive loss. During the year ended December 31, 2018, unwinding of the discount of $785 was recognized as a loss the statement of operations and comprehensive loss. The Company recognized a loss on repayment of the promissory note in the amount of $4,702.

(c) Related party transactions

During the year ended December 31, 2018, $50,436 (2017 - $65,368) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid $1,273 of administrative fees (2017 - $1,634) to Oniva and $500 (2017 - $Nil) for reimbursement of mineral claim taxes, license fees, and staking.

The Company takes part in a cost-sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The arrangement may be terminated with one-month notice by either party.

Critical Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses for the periods reported. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period they become known.

Financial Instruments

The Company's financial instruments include cash, investments, trade and other payables, and promissory notes due to related parties. The carrying values of these financial instruments approximate their fair values due to their short term nature. The Company is not exposed to significant interest, credit, or currency risk arising from these financial instruments.

The Company's financial instruments are exposed to certain financial risks comprising credit risk, liquidity risk and market risk.

(a) 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. The Company's cash is exposed to credit risk. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions.

Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with a single Canadian financial institution.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At December 31, 2018, the Company had cash in the amount of $115,242 (2017 - $131,207) in order to meet short-term business requirements. At December 31, 2018, the Company had current liabilities of $15,894 (December 31, 2017 – $14,754). Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at December 31, 2018, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Accounts payable and accrued liabilities	$ 15,894	$ 15,894	$ -	$ -
Promissory notes issued to related parties	232,223	-	232,223	-
Total	$ 248,117	$ 15,894	$ 232,223	$ -

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid short-term investments and therefore management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

At this time, the Company is not exposed to significant foreign currency risk, as the company currently has minimal transactions and balances in currencies other than the Canadian dollars.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk with respect to its investment in marketable securities, as they are carried at fair value based on quoted market prices.

d) Classification of Financial instruments

IFRS 7 *'Financial Instruments: Disclosures'* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at December 31, 2018:

	Level 1	Level 2	Level 3
Cash	$ 115,242	$ -	$ -
Investments	195,651	-	-
	$ 310,893	$ -	$ -

Risks

Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

As at April 17, 2019, the following common shares, warrants and stock options were outstanding:

	Number of shares	Exercise price	Remaining life (years)
Share capital	22,260,461	-	-
Warrants	1,725,250	\$0.10 - \$0.60	0.83 – 1.42
Stock options	1,615,000	\$0.39 - \$0.44	0.09 – 3.19
Total	25,600,711		

The following are details of outstanding warrants as at December 31, 2018, and April 17, 2019:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (December 31, 2018)	Number of Underlying Shares (April 17, 2019)
February 15, 2020	\$0.50	500,000	500,000
August 15, 2020	\$0.10	905,000	905,000
September 15, 2020	\$0.60	320,250	320,250
Total:		**1,725,250**	**1,725,250**

The following are details of outstanding stock options as at December 31, 2018, and April 17, 2019:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (December 31, 2018)	Number of Shares Remaining Subject to Options (April 17, 2019)
May 19, 2019	\$0.39	50,000	50,000
June 26, 2019	\$0.44	70,000	70,000
February 23, 2022	\$0.39	1,195,000	1,095,000
June 23, 2022	\$0.44	400,000	400,000
Total:		**1,715,000**	**1,615,000**

Application of new and revised accounting standards

Annual Improvements to IFRSs 2014-2016 Cycle

In December 2016, the IASB issued the Annual Improvements 2014-2016 cycle, effective for annual periods beginning on or after January 1, 2017. The amendments did not have an impact on the Company's consolidated financial statements.

IFRS 9 - Financial Instruments

On January 1, 2018, the Company adopted the requirements of IFRS 9. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected-loss” impairment model. The Company adopted a retrospective approach, other than for hedge accounting, which is applied prospectively.

IFRS 9 did not impact the Company’s classification and measurement of financial assets and liabilities, and there was no significant impact on the carrying amounts of the Company’s financial instruments at the transition date. The Company had the option to designate its current equity securities as financial assets at fair value through other comprehensive income or loss, and has done so.

The introduction of the new ‘expected credit loss’ impairment model had negligible impact on the Company, given the Company has minimal receivables, with the majority being from GST recoverable from government agencies.

The Company currently has no hedging arrangements, and will apply the new accounting requirements under IFRS 9 as required.

IFRS 15 - Revenue from Contracts with Customers

On January 1, 2018, the Company adopted the requirements of IFRS 15. IFRS 15 covers principles that an entity shall apply to report useful information to users of the financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. As the Company does not have revenue and cash flows arising from a contract with a customer, there is no material impact to the consolidated financial statements.

Changes in accounting standards not yet effective

The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but is not yet effective. The following accounting standards were issued but not yet effective as of December 31, 2018:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – Leases (“IFRS 16”) which replaces IAS 17 – Leases and its associated interpretative guidance, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. A lessee can choose to apply IFRS 16 using either a full retrospective approach or a modified retrospective approach. The Company plans to apply IFRS 16 at the date it becomes effective and has not yet selected a transition approach.

The Company is in the process of identifying and collecting data relating to existing agreements that may contain right-of-use assets. At this time, the Company believes it has no right-of-use assets, and that there will be no impact to the consolidated financial statements.

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for evaluating the effectiveness of the Company's disclosure controls and procedures and have concluded, based on our evaluation, that they are effective as at December 31, 2018 to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules and regulations.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position, and plans for the future based on facts and circumstances as of April 17, 2019. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. 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 we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.