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 condensed consolidated interim financial statements for the nine months ended September 30, 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 November 22, 2018 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 working capital of $91,956 at September 30, 2018 and has accumulated losses of $3,995,503 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

Surprise Lake & Hot Bath Properties Update

In June 2018, the Company transferred the Surprise Lake and Hot Bath Properties back to DeCoors. In consideration for the transfer, DeCoors returned 3.2 million common shares of the Company for cancellation, and delivered 200,000 common shares of Garibaldi Resources Inc. ("Garibaldi") 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.

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.

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.

At September 30, 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 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.

Review of Operations

Three months ended September 30, 2018 compared with the three months ended September 30, 2017.

	2018	2017	Note
General and Administrative Expenses			
Administrative fees	$ 8,384	$ 8,968	
Automobile	158	141	
Consulting fees	7,500	7,500	
Depreciation	953	-	
Foreign exchange loss	7	21	
Interest and bank charges	25	49	
Listing and filing fees	2,872	2,316	
Office and miscellaneous	1,687	2,138	
Professional fees	3,986	9,003	
Share-based recovery	(68,800)	(14,400)	1
Shareholder information	705	4,094	
Transfer agent fees	596	3,700	
Travel	9	5,339	2
Operating Income (Loss)	41,918	(28,869)	
Other Items			
Interest and other income	941	-	
Fair value adjustment for promissory note payable	(18,730)	(4,398)	3
Net Income (Loss) For The Period	24,129	(33,267)	4
Basic and Diluted Income (Loss) per Share	$ 0.00	$ (0.00)	4
Weighted Average Number of Shares Outstanding	22,097,418	22,424,390	

1. During the three months ended September 30, 2018, share-based recovery was $68,800 compared to $14,400 for the comparable quarter in 2017. The recovery is a result of the cancelled stock options that were previously granted to employees in February 2017 during the quarters ended September 30, 2018, and September 30, 2017.

2. During the three months ended September 30, 2018, travel expenses were $9 compared to $5,339 during the quarter ended September 30, 2017. The higher travel expenses in the same quarter last year were due to travel for investor relations purposes to the newly-acquired properties.

3. During the three months ended September 30, 2018, fair value adjustment for promissory note payable were $18,730 compared to $4,398 during the quarter ended September 30, 2017. The increase in fair value adjustment is a result of the settlement of promissory note payable in the current quarter.

4. As a result of the increased expenses and fair value adjustments, the Company recorded net income of $24,129, an increase of $57,396 compared to net loss of $33,267 from the quarter ended September 30, 2017. The change resulted in income per share of $0.00, compared to a loss per share of $0.00 for the same quarter in 2017.

Nine months ended September 30, 2018 compared with the nine months ended September 30, 2017.

	2018	2017	Note
General and Administrative Expenses			
Administrative fees	$ 29,629	$ 23,606	
Automobile	475	220	
Consulting fees	22,500	37,500	**1**
Depreciation	2,860	-	
Foreign exchange loss (gain)	(264)	154	
Interest and bank charges	99	265	
Listing and filing fees	9,647	14,644	**2**
Office and miscellaneous	6,397	10,444	
Professional fees	28,567	21,108	
Share-based compensation (recovery)	(72,000)	657,700	**3**
Shareholder information	3,987	18,867	**4**
Transfer agent fees	5,947	7,032	
Travel	49	13,486	**5**
Operating Loss	(37,893)	(805,026)	
Other Items			
Interest and other income	941	-	
Fair value adjustment for promissory note payable	(29,537)	(21,771)	
Cost recovery on disposition of mineral property	624,000	-	**6**
Net Income (Loss) For The Period	557,511	(826,797)	**7**
Basic and Diluted Income (Loss) per Share	$ 0.02	$ (0.04)	**7**
Weighted Average Number of Shares Outstanding	22,493,794	21,062,662	

1. During the nine months ended September 30, 2018, consulting and management fees were $22,500 compared to $37,500 for the nine months ended September 30, 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 nine months ended September 30, 2018, listing and filing fees were $9,647 compared to $14,644 for the comparable period in 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 nine months ended September 30, 2017, compared to the current period.

3. During the nine months ended September 30, 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 $657,700 was recorded.

4. During the nine months ended September 30, 2018, shareholder information was $3,987 compared to $18,867 for the comparable period in 2017. The higher expense in the nine months ended September 30, 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 nine months ended September 30, 2018, travel expenses were $49 compared to $13,486 during the comparable period ended September 30, 2017. The higher travel expenses in 2017 were due to travel for investor relations purposes to the newly-acquired properties.

6. During the nine months ended September 30, 2018, the Company received 200,000 shares of Garibaldi Resources Corp. as part of the DeCoors settlement, and recorded a cost recovery of $624,000. This represents the fair value of the shares received on the date of closing.

7. As a result of these decreased expenses and cost recovery, the Company recorded net income of $557,511, an increase of $1,384,308 compared to the net loss of $826,797 from the nine months ended September 30, 2017. The change resulted in income per share of $0.02 compared to the loss per share of $0.04 for the same period in 2017.

Summary of Quarterly Results

Quarter ended	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	2016 Dec. 31 Q4
Total Revenue	-	-	-	-	-	-	-	-
Net Income (loss)	24,129	566,174	(32,792)	(1,902,591)	(33,267)	(253,267)	(525,363)	43,882
Basic and diluted income (loss) per Share	0.00	0.03	(0.00)	(0.09)	(0.00)	(0.01)	(0.03)	0.00
Total Assets	789,165	1,038,231	458,675	466,016	2,723,380	2,168,573	2,207,840	391,031

The overall decrease in expenses during the third quarter of 2018 is a direct result of the Company recording share-based recovery on the cancellations of previously-issued stock options. 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. Due to the negotiation of the proposed transaction with DeCoors, as well as the two private placements, there was an overall increase in expenses during the second and third quarters of 2016 compared to the first quarter of 2016. The fourth quarter of 2016 had net income due to the fair value adjustment relating to the recognition of the promissory note payable. 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 September 30, 2018, the Company had a cash balance of $114,856, working capital of $91,956, and accumulated losses of $3,995,503 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 decrease its operations and exploration activities.

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.

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 nine months ended September 30, 2018, the Company received proceeds from the exercise of warrants of $125,000 (2017 - $53,750).

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 three and nine months ended September 30, 2018 and 2017 are as follows:

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Salaries, benefits, and consulting fees	$ 9,723	$ 9,642	$ 29,170	$ 26,424
Share-based payments (recovery)	(64,000)	-	(64,000)	488,000
	$ (54,277)	$ 9,642	$ (34,830)	$ 514,424

(b) Amounts due to related parties

In the normal course of operations the Company transacts with companies related to Avino's directors or officers. All amounts payable are non-interest bearing, unsecured, and due on demand. As at September 30, 2018, and December 31, 2017, the following amounts were due to related parties:

	September 30, 2018	December 31, 2017
Oniva International Services Corp.	$ 10,911	$ -
Intermark Capital Corp.	2,625	-
	$ 13,536	$ -

(c) Promissory notes issued to related parties

	Intermark Capital Corp.		Oniva	
	2018	2017	2018	2017
Beginning balance	$ 12,888	$ 21,042	$ 164,569	$ 138,175
Borrowing	-	18,375	-	37,631
Repayment of the note	(18,375)	(30,000)	(37,632)	-
Loss on repayment of the note	-	8,327	-	-
Unwinding of the discount	5,487	631	24,050	17,613
Fair market value adjustment	-	(5,487)	-	(28,850)
Ending balance	$ -	$ 12,888	$ 150,988	$ 164,569

During the period ended September 30, 2018, a repayment of the promissory notes in the amount of $37,632 was made to Oniva International Services Corp. ("Oniva"). As at September 30, 2018, $197,005 (2017 - $234,637) was due to Oniva in the form of promissory notes payable. The Company receives rent, office and administrative supplies, and services from Oniva, a private company related by common management.

At December 31, 2017, the Company and Oniva agreed to convert the current portion due to Oniva of $37,632, along with the existing $197,005, to a long-term promissory note payable of $234,637 that is non-interest bearing, unsecured, and due on demand after December 31, 2020.

The fair value of the promissory note at September 30, 2018, was $150,988 (2017 - $164,569). 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 $28,580 was recognized in the statement of operations and comprehensive income or loss during the year ended December 31, 2017. The Company further recorded expenses of $24,050 related to the quarterly unwinding of the discount during the nine months ended September 30, 2018 (2017 - $17,613).

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.

During the period ended September 30, 2018, a repayment of the promissory notes in the amount of $18,375 was made to the director. The fair value of the promissory note at September 30, 2018, was $Nil. The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the period. The initial fair value adjustment of $5,487 was recognized in the statement of operations and comprehensive income or loss during the year ended December 31, 2017. The Company further recorded expenses of $5,487 related to the quarterly unwinding of the discount during the nine months ended September 30, 2018 (2017 - $631).

(d) Related party transactions

During the nine months ended September 30, 2018, $37,608 (2017 - $51,589) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid $953 of administrative fees (2017 - $1,302) to Oniva and $500 (2017 - $500) 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, investment in marketable securities, trade and other payables, and amounts 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. The Company had cash in the amount of $114,856 (December 31, 2017 - $131,207) in order to meet short-term business requirements. At September 30, 2018, the Company had current liabilities of $25,785 (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 September 30, 2018, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Accounts payable and accrued liabilities	$ 12,249	$ 12,249	$ -	$ -
Due to related parties	164,524	13,536	150,988	-
Total	$ 176,773	$ 25,785	$ 150,988	$ -

(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 September 30, 2018:

	Level 1	**Level 2**	**Level 3**
Cash	$ 114,856	$ -	$ -
Investments	355,996	-	-
	$ 470,852	$ -	$ -

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 November 22, 2018, 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	1.23 – 1.82
Stock options	1,715,000	$0.39 - $0.44	0.49 – 3.59
Total	25,700,711		

The following are details of outstanding warrants as at September 30, 2018, and November 22, 2018:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (September 30, 2018)	Number of Underlying Shares (November 22, 2018)
February 15, 2020	$0.50	500,000	500,000
September 15, 2020	$0.60	320,250	320,250
August 15, 2020	$0.10	905,000	905,000
Total:		**1,725,250**	**1,725,250**

The following are details of outstanding stock options as at September 30, 2018, and November 22, 2018:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (September 30, 2018)	Number of Shares Remaining Subject to Options (November 22, 2018)
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	1,195,000
June 23, 2022	$0.44	400,000	400,000
Total:		**1,715,000**	**1,715,000**

Application of new and revised accounting standards

Adoption of IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)

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 condensed consolidated interim financial statements.

Adoption of IFRS 9 Financial Instruments (“IFRS 9”)

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.

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 September 30, 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. The Company is currently evaluating the impact the final standard is expected to have on its condensed consolidated interim 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 September 30, 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 November 22, 2018. 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.