

JAXON MINING INC.

Management's Discussion and Analysis

Year ended January 31, 2019

GENERAL

The following discussion and analysis of the operations, results, and financial position of Jaxon Mining Inc. (“the Company”), for the twelve months ended January 31, 2019, should be read in conjunction with the Company’s audited financial statements for the year ended January 31, 2019 and the financial statements for the twelve months ended January 31, 2018. Unless otherwise noted, amounts are in Canadian dollars.

DATE

This Management’s Discussion & Analysis (“MD&A”) covers the fiscal year ended January 31, 2019 and was prepared on May 30, 2019.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Company’s management is responsible for the presentation and preparation of the financial statements on which this discussion and analysis is based. The financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

FORWARD LOOKING STATEMENTS

Certain information contained or incorporated by reference in this MD&A, including any information as to our future financial or operating performance, constitutes “forward-looking statements”. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and in other countries; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

OVERALL PERFORMANCE

Introduction

As disclosed previously, the Company is focused on its Hazelton Project (Red Springs) in British Columbia (incorporating the Price Creek Project, extensive staking by the Company and smaller acquisitions)

Hazelton Property, British Columbia (formerly Price Creek Project)

The Hazelton Property covers 42,244 hectares and is located east of the town of Hazelton in north-central British Columbia, approximately 40 kilometres north of the town of Smithers.

The property hosts numerous zones of mineralization hosted in the Skeena Arch Metallogenic Belt. In 2018, the Company has focused on two significant targets – the Tourmaline Breccia “Backbone” Prospect and the Red Springs Porphyry Target.

- Subsequent to the period end, the Company completed 23 line km 2D Induced Polarization (IP) and ground magnetic surveys. The Company has received the interpretation of the survey data from Simcoe Geoscience Ltd. of Toronto, Ontario. The survey identified multiple high priority chargeability anomalies for both the gold-cobalt tourmaline breccia mineralization and a number of associated porphyry targets where occurrences of the tourmaline breccia mineralization and porphyry targets are part of an associated geological system.
 - Highlighted IP Survey Results:
 - At least 32 anomalous zones are interpreted along 7 lines as significant targets for follow up from surface to ~800 m+ depths.
 - 16 are considered first priority (S#) and show low resistivity gradient areas with moderate IP chargeability consistent with faults and shear zones with potential for structurally controlled sulphide mineralization.
 - 14 are second priority (W#) and are generally large area responses at greater depth, where IP chargeability is strong and well-defined, with low to moderate resistivity associated with potential for porphyry sulphide mineralization.
 - 2 are third priority targets (P#).
 - IP Line EN along the Backbone tourmaline breccia zone, shows low resistivity with moderate IP chargeability faults and shear zones controlled sulphide mineralization.
 - IP chargeability is stronger to the West which indicates the tourmaline breccia mineralization zone at the Backbone area may extend to the West more than 1000m.
 - IP lines L3400, L3600, L3800 and L4000 at the Red Springs Cirque area show strong IP chargeability anomaly with low to moderate resistivity association with potential for porphyry sulphide mineralization.
- In October 2018, Apex Diamond Drilling of Smithers B.C. completed Phase One diamond (core) drilling program on the Backbone tourmaline breccia zone completing five holes totaling 1,057m. All 5 holes targeted the Backbone gold-cobalt tourmaline breccia mineralization zones along strike and dip at Backbone area.
 - The Company's 2018 drilling program has confirmed continuity of mineralization over a strike length of 300 m from hole BB18-01 to BB18-05 and low angle (<30 degree) dip extent of over 100 m from surface channels to the West. Mineralized quartz tourmaline-sulfide breccia zones in drill core extend discontinuously over lengths of more than 26 m in BB18-03 at the down hole depth from 67 m to 93 m. It consists of different phases of sedimentary

breccia and tourmaline veins or metrics. The sulphide mineralization within tourmaline breccia zone consists of pyrrhotite, arsenopyrite, chalcopyrite and pyrite. The most intense mineralization is associated with strong silicification and sulphidation alterations. A set of late quartz-carbonate veins are concentrated within the tourmaline breccia mineralized zone and contain variable amounts of chalcopyrite and bismuthinite. The cobalt grade can be up to 0.36% on the surface outcrops and 0.10 % in the drill hole cores based on the current exploration data and is closely related to the gold, telluride and bismuth grade within tourmaline breccia mineralization in both surface outcrops samples and drill hole cores.

- In Subsequent to the period end, 355 samples with inserted blanks, standards and duplicates were received by the Vancouver laboratory of Bureau Veritas Minerals, from the five drill holes. The Company has received the assay results from diamond drill holes BB18-01 to BB18-03 which were disclosed in a news release on December 4, 2018 and from holes BB18-04 and BB18-05 which were disclosed in a news release on January 14, 2019 respectively.

The five drill holes intersected gold-cobalt mineralization are highlighted below

- BB18-05 intercepts 21 m gold-cobalt tourmaline breccia mineralization of 0.58 g/t AuEq from down hole 66 m to 87 m, consisting of 0.41 g/t Au, 0.04% Cu and 0.01% Co including:
 - 2 m from down hole 66 m to 68 m at 3.64 g/t AuEq containing 2.62 g/t Au, 0.28% Cu, 0.04% Co and 0.03% Bi including:
 - 1 m 4.88 g/t AuEq containing 3.17 g/t Au, 0.55% Cu, 0.05% Co and 0.04% Bi, and
 - 7 m at 0.57 g/t AuEq containing 0.43 g/t Au, 0.01 % Co and 0.02% Cu from down hole 80 m to 87 m, including:
 - 1 m from down hole 80 to 81 m at 0.80 g/t AuEq containing 0.41 g/t Au and 0.14% Cu
 - 2 m from 85 to 87 m at 0.78 g/t AuEq containing 0.49 g/t Au and 0.02% Co
- BB18-04 intercepts 20 m gold-cobalt tourmaline breccia mineralization of 0.53 g/t AuEq from down hole 64 m to 84 m, consisting of 0.44 g/t Au and 0.01% Co including:
 - 1 m at 2.14 g/t AuEq containing 1.73 g/t Au, 0.02% Co, 0.05% Cu from down hole 64 m to 65 m
 - 1 m at 3.94 g/t AuEq containing 3.59 g/t Au, 0.02% Co and 0.02% Bi from down hole 71 m to 72 m
 - 5 m at 0.75 g/t AuEq containing 0.62 g/t Au and 0.01% Co from down hole 82 m to 87 m, and
 - 5.2 m gold-cobalt-bismuth tourmaline breccia mineralization of 0.32 g/t AuEq from down hole 111.8 m to 117 m, consisting of 0.20 g/t Au and 0.02 % Bi including:
 - 2 m at 0.45 g/t AuEq containing 0.27 g/t Au, 0.01% Co and 0.02% Bi
- BB18-03 intercepts 1 m massive sulphide mineralization of 8.10 g/t Au equivalent consisting of 6.60 g/t Au and 0.10% cobalt contained within 4 m of 3.54 g/t Au equivalent consisting of 2.71 g/t Au and 0.055% cobalt contained within 12 m of 2.03 g/t Au equivalent consisting of 1.44 g/t Au and 0.039% cobalt from down hole 80 m to 92 m, and
 - 1 m massive sulphide mineralization of 4.97 g/t Au equivalent consisting of 4.34 g/t Au, 0.02% cobalt and 0.22% copper contained within 4 m of 2.35 g/t Au equivalent consisting of 1.85 g/t Au, 0.015% cobalt and 0.074% copper from down hole 67 m to 71 m, and

- 1 m of 2.17 g/t Au equivalent consisting of 1.95 g/t Au, 0.014% cobalt and 0.127% copper from down hole 75 m to 76 m.
- BB18-02 intercepts 1 m of 1.15 g/t Au equivalent consisting of 0.56 g/t Au and 0.039% cobalt from down hole 22 m to 23 m.
- BB18-01 intercepts 1 m of 1.36 g/t Au equivalent consisting of 1.28 g/t Au and 0.01% cobalt from down hole 38 m to 39 m.

Significant assay results from each of the five holes are listed in Table 1 below:

Table 1 – Backbone Gold-Cobalt Tourmaline Breccia Mineralization Diamond Drill Intercepts Holes 1-5*

Sample No.	Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	EqAu (g/t)
A0010407	BB18-01	24	25	1	0.201	199	86	0.512
A0010408	BB18-01	25	27	2	0.475	44	22	0.544
A0010415	BB18-01	38	39	1	1.277	52	10	1.357
A0010421	BB18-01	48	49	1	0.527	51	9	0.605
A0010441	BB18-02	22	23	1	0.556	394	24	1.151
A0010464	BB18-03	42	43	1	0.175	23	2103	0.525
A0010478	BB18-03	67	68	1	4.343	198	2226	4.974
A0010479	BB18-03	68	69	1	0.02	7	16	0.033
A0010481	BB18-03	69	70	1	2.427	251	627	2.890
A0010482	BB18-03	70	71	1	0.593	125	100	0.796
A0010487	BB18-03	75	76	1	1.945	144	1266	2.351
A0010493	BB18-03	80	81	1	1.498	370	7	2.054
A0010494	BB18-03	81	82	1	0.679	255	8	1.063
A0010495	BB18-03	82	83	1	1.866	956	9	3.301
A0010496	BB18-03	83	84	1	0.234	135	13	0.438
A0010497	BB18-03	84	85	1	0.607	321	12	1.090
A0010498	BB18-03	85	86	1	1.191	224	16	1.529
A0010499	BB18-03	86	87	1	0.221	106	19	0.383
A0010501	BB18-03	87	88	1	0.149	140	14	0.361
A0010502	BB18-03	88	89	1	6.601	1000	16	8.104
A0010503	BB18-03	89	90	1	0.655	179	47	0.931
A0010504	BB18-03	90	92	2	1.784	512	42	2.558
A0010505	BB18-03	92	93	1	0.36	208	39.6	0.68
A0010538	BB18-04	64	65	1	1.729	198	5.2	2.13
A0010544	BB18-04	71	72	1	3.593	64	10.1	3.89
A0010553	BB18-04	79	80	1	0.212	28	20.8	0.31
A0010554	BB18-04	80	81	1	0.151	138	20.3	0.20
A0010556	BB18-04	82	83	1	1.686	154	113.9	1.90
A0010557	BB18-04	83	84	1	1.039	166	8.5	1.29
A0010561	BB18-04	90.9	91.5	0.6	0.52	149	6.9	0.77
A0010577	BB18-04	111.8	113	1.2	0.209	32	9.9	0.43

A0010578	BB18-04	113	114	1	0.324	33	36.4	0.37
A0010581	BB18-04	114.9	117	2.1	0.202	542	5471.9	0.26
A0010619	BB18-05	66	67	1	3.168	186	101.4	4.80
A0010621	BB18-05	67	68	1	2.08	82	1436.7	2.37
A0010635	BB18-05	78	79	1	0.406	75.9	8	0.74
A0010637	BB18-05	82	83	1	0.605	149	3.3	0.72
A0010641	BB18-05	85	87	2	0.488	213	554.6	0.71

*EqAu is calculated using long term prices for gold at \$1250 USD per ounce, for cobalt at \$60K USD per tonne and for copper at \$6K USD per tonne.

- The Backbone tourmaline breccia zone and Red Springs Porphyry target was discovered by the Company 17km south-west of the Max Target. Reconnaissance work in 2017 resulted in the discovery of gold-bearing hydrothermal breccias, with 8 of 49 reconnaissance samples returning between 10 g/t gold and 33 g/t gold. The Company is finished the first comprehensive exploration program at Red Springs, with preliminary results indicating a 500-metre-long exposure of tourmaline breccias with a variable width up to 15m called the Backbone Prospect. The Backbone has undergone detailed channel sampling consisting of 9 channels with a total of 112 samples.
- Exploration at Red Springs Porphyry target area during the 2018 season has included geological mapping at 1:5000 scale over 36 square km, extensive rock chip sampling within this area and a 3 line induced polarization survey covering two porphyry copper prospects identified during the mapping. The IP survey has returned strong chargeability anomalies over porphyry styles of mineralization.
- Other zones include two polymetallic quartz and sulphide veins in the south west corner of the Hazelton Property.

In 2017, The Company has worked on Max Target in the Hazelton Property which is a shallow-marine VMS target that outcrops over a 700m by 1000m area. The Company added to the pre-existing historical database by re-processing airborne VTEM data, completing a substantial surface sampling program over the Max Target area, and followed that up with a ground IP survey and then an exploratory drill campaign at the very end of the field season in 2017. All holes encountered sulphide mineralization and eleven discrete intervals of high-grade silver (over 100g/t Ag) were intercepted in 7 of the 12 holes. The Company does not plan any work on the Max Target this year.

More Creek Property, British Columbia (*incorporating Wishbone and Foremore Properties*)

The More Creek Property covers 24,559 hectares and is located 150 kilometres north of Stewart in the Golden Triangle region of British Columbia.

The Property covers multiple target areas, with 23 high-grade gold-silver showings in both VMS and epithermal settings, as identified by previous operators. The area was staked by Cominco Limited after the original discovery of a quartz boulder that graded 162 g/t gold as well as several massive sulphide boulder fields in 1987. The Company made two acquisitions to put the contiguous land position together, along with some minor staking, in an area of substantial interest by other companies. Teck Resources' Galore Creek Project is adjacent to the west, their Schaft Creek Project is a similar distance to the north, and Barrick Gold's Eskay Creek Project is 45 kilometres south-south-east.

A substantial database of previous exploration work, including 14,523 metres of drilling in 71 drill holes, has been compiled, with the Company's initial target consisting of an untested, 2 kilometre-long marker horizon

between two established VMS historical discoveries, the BRT Zone and the Ryder Zone. Both systems are bimodal submarine VMS systems, with BRT being highly-enriched in Zn-Cu-Ag-Au, and Ryder Zone being enriched in Zn-Cu-Ag with minor Au. Drilling at the BRT Zone in 2004 returned 15 g/t Au, 6.5% Zn and 1,075 g/t Ag over 3.1 metres within the marker horizon.

Given the Company's focus on its discovery of a major porphyry system at its Red Springs project in the Skeena Arch, the Company has elected to relinquish its options on the Foremore and Wishbone concessions, together referred to as the More Creek project. More Creek has been assessed as being less prospective and its location less accessible than Red Springs. The Company notified all parties on April 2nd and April 3rd, 2019 and in subsequent notices surrendering the rights to its option agreements for both the Wishbone and Foremore properties. The Company is confident it has no further obligations in relation to those agreements. Foremore has subsequently been optioned by a new third party introduced by the Company.

Stock Properties Joint Venture, British Columbia

The Stock Properties Joint Venture covers 4,127 hectares located in the lower east corner of the Golden Triangle region of British Columbia, in partnership with Rotation Minerals Inc., which owns the nearby Scottie Gold Mine. The Company is earning into a 75% interest in the joint venture by spending \$375,000 over four years and subscribing for 1,333,334 units (previously subscribed and paid for) of Rotation Minerals at a price of \$0.15 per unit. Historical work on the Stock Properties include numerous tunnels and crosscuts including one that extends over 300 metres, and a sampling program indicated that silver mineralization is widespread throughout the properties. A brief site visit by the Company in 2018 identified a gossan outcrop to be sampled in the summer. A 1 kilometre grid was put in for future work, and the Company's initial program is to include mapping and sampling followed by subsequent airborne and/or ground geophysical surveys.

We have decided not to continue with these properties and it is the best judgement of current management that Jaxon incurred no obligations and has no ongoing rights in regards to the Stock properties.

ST Silver-Gold Prospect, Yukon

The ST prospect, covering over 4 strategic claims, lies 120 km northwest of Whitehorse, Yukon in a region with major regional fault systems and a large tertiary aged multiple staged volcanic complex. Streams draining the area have long been known to carry fine crystalline gold with the source as yet undetermined. The claims cover coincident airborne EM/ground 3DIP geophysical anomalies and soil geochemical sampling has identified a gold/silver (plus indicator elements) anomaly immediately down slope from the geophysical zones. Historic exploration expenditures total approximately \$175,000. The Company has paid \$1,000 and issued 500,000 common shares to the vendor. The vendor will retain a 2% NSR on the future production and has received an annual Royalty payment of \$5,000. The Company does not plan any work on the ST prospect this year.

We have decided not to continue with this property and it is the best judgement of current management that Jaxon incurred no obligations and has no ongoing rights in regards to the ST Silver-Gold Prospect.

Qualified Person

The Company's exploration program is directed by Yingting (Tony) Guo, P.Geol., COO, who is a "qualified person" as defined by National Instrument 43-101 and who also prepared and approved the scientific and technical information contained in this MD&A.

Financial Condition

As of January 31, 2019, the Company had \$83,392 (2018:\$1,292,065) in cash and a working capital of \$189,224 (2018: \$2,794,031).

OUTLOOK

Priorities for the Year Ended January 31, 2020 (Fiscal 2020)

For fiscal 2020, the Company will focus its priorities as follows:

- Advance the Red Springs Discovery at the Hazelton Property, with mapping, sampling and ground geophysics and drilling
- Re-process geophysics from the Max Zone at Hazelton to narrow down second-stage drilling targets.
- Raise sufficient funding to continue exploration work on the Hazelton Property.
- Continue its search for additional mineral projects that fit within the Company's financial and technical constraints.

Management Changes

The Company announced the following recent management changes:

In September, Dr. Yingting (Tony) Guo was appointed Chief Operating Officer and also continues to serve the Company as a director of the Board.

In October, Alain Voisin was appointed Chief Financial Officer and Corporate Secretary, replacing Oleg Scherbina in the role of CFO.

Also in October, John King Burns was appointed as Chief Executive Officer, replacing Jason Cubitt who resigned as CEO and also from the board of directors. John King Burns continues to serve as Chairman of the board in addition to his CEO duties.

Carl Swensson resigned from his position as Vice President, Exploration and his responsibilities have been assumed by Dr. Tony Guo.

RESULTS OF OPERATIONS

Exploration and development

During the twelve months ended January 31, 2019, exploration expenditures were as follows:

	Balance as at		Balance as at	
	January 31, 2018	Additions/(Write-down)	January 31, 2019	
ST Silver-Gold Prospect, Yukon:				
Acquisition costs	\$ 28,500	\$ -	\$ 28,500	
Geological services	5,000	-	5,000	
Filing fees	840	-	840	
Field expenses	(711)	-	(711)	
Write-down of properties	-	(33,629)	(33,629)	
	33,629	(33,629)	-	
Hazelton Property, British Columbia:				
Acquisition costs	80,500	44,750	125,250	
Administration and maintenance	93,867	74,909	168,776	
Assaying and analysis	79,845	121,879	201,724	
Camp costs, supplies and logistics	148,528	327,437	475,965	
Drilling and drilling related costs	371,499	209,899	581,398	
Environmental review	2,205	11,340	13,545	
Geological services	271,419	637,386	908,805	
Property examination	581,611	-	581,611	
Project management	128,150	115,800	243,950	
Stock-based compensation	141,756	-	141,756	
Travel	77,780	545,006	622,786	
	1,977,160	2,088,406	4,065,566	
More Creek Project, British Columbia:				
Acquisition costs	175,500	146,250	321,750	
Administration and maintenance	-	368	368	
Geological services	10,675	33,350	44,025	
Legal	10,960	-	10,960	
Assay and analysis	341	20,000	20,341	
Property examination	16,567	-	16,567	
Write-down of properties	-	(414,011)	(414,011)	
	214,043	(214,043)	-	
Stock Property, British Columbia:				
Geological services	21,000	-	21,000	
Write-down of properties	-	(21,000)	(21,000)	
	-	(21,000)	-	
Cost recovery-BC METC	-	(134,749)	(134,749)	
Total Exploration and Evaluation Assets:	\$ 2,224,832	\$ 1,684,985	\$ 3,930,817	

General and Administrative Expenses

	For the Years Ended January 31,	
	2019	2018
Expenses		
Advertising	\$ 6,337	\$ 20,936
Amortization	9,097	2,177
Consulting fees	163,295	124,007
Corporate development	163,959	357,660
Director fees	72,000	79,000
Management fees	89,000	174,000
Marketing and investor relations (IR)	237,020	669,216
Office and miscellaneous	76,848	44,548
Professional fees	33,722	53,804
Regulatory, filing and transfer agent fees	42,310	56,825
Rent	49,430	28,875
Share-based payment expenses	26,678	691,103
Travel and entertainment	214,872	212,970
Loss from operations	(1,184,568)	(2,515,121)

The general and administrative expenses for the year ended January 31, 2019 totaled \$1,184,568 (2018: \$2,515,121). Marketing and IR of \$237,020 (2018-\$669,216) made up the largest category, followed in order of decreasing magnitude by Travel and entertainment at \$214,872 (2018:\$212,970), Corporate development at \$163,959 (2018:\$357,660), Consulting fees at \$163,295 (2018:\$124,007), Office and miscellaneous at \$76,848 (2018:\$44,548), Rent at \$49,430 (2018:\$28,875), Regulatory, filing and transfer agent fees at \$42,310, (2018:\$56,825), Professional fees at \$33,722 (2018:\$53,804) Share-based payments at \$26,678 (2018:\$691,103), Amortization at \$9,097 (2018:\$2,177) and Advertising at \$6,337 (2018:\$20,936).

Overall, general and administrative expenses decreased in 2019 by \$1,330,553 in large part due to minimal share-based payment expenses relative to the prior year and the efforts by new management to pare down overhead costs, specifically in the areas of Marketing and IR, and Corporate development fees. These changes took effect by the last quarter of the fiscal year and the effects of such can more easily be seen in the comparison of the general and administrative expenses during the fourth quarter ending January 31 which follows later in this document.

FOURTH QUARTER SUMMARY

Exploration expenditures during the fourth quarter ending January 31 were as follows:

	Balance as at October 31, 2018	Additions/(Write- downs)	Balance as at January 31, 2019
ST Silver-Gold Prospect, Yukon:			
Acquisition costs	\$ 28,500	\$ -	\$ 28,500
Geological services	5,000	-	5,000
Administration and maintenance	129	-	129
Write-down of properties	-	(33,629)	(33,629)
	33,629	(33,629)	-
Hazelton Property, British Columbia:			
Acquisition costs	125,750	(500)	125,250
Administration and maintenance	168,091	685	168,776
Assaying and analysis	173,584	28,140	201,724
Camp costs, supplies and logistics	469,952	6,013	475,965
Drilling and drilling related costs	581,398	-	581,398
Environmental review	13,545	-	13,545
Geological services	838,123	70,682	908,805
Property examination	581,611	-	581,611
Project management	243,950	-	243,950
Stock-based compensation	141,756	-	141,756
Travel	619,173	3,613	622,786
	3,956,933	108,633	4,065,566
More Creek Project, British Columbia:			
Acquisition costs	321,750	-	321,750
Administration and maintenance	368	-	368
Geological services	44,025	-	44,025
Legal	10,960	-	10,960
Assay and analysis	341	20,000	20,341
Property examination	16,567	-	16,567
Write-down of properties	-	(414,011)	(414,011)
	394,011	(394,011)	-
Stock Property, British Columbia:			
Geological services	21,000	-	21,000
Write-down of properties	-	(21,000)	(21,000)
	21,000	(21,000)	-
Cost recovery - BC METC	(141,455)	6,706	(134,749)
Total Exploration and Evaluation Assets:	\$ 4,264,118	(333,301)	\$ 3,930,817

	Balance as at October 31, 2017	Additions	Balance as at January 31, 2018
ST Silver-Gold Prospect, Yukon:			
Acquisition costs	\$ 28,500	\$ -	\$ 28,500
Geological services	5,000	-	5,000
Administration and maintenance	129.00	-	129
	<u>33,629</u>	<u>-</u>	<u>33,629</u>
Hazelton Property, British Columbia:			
Acquisition costs	65,500	15,000	80,500
Administration and maintenance	77,197	16,670	93,867
Assaying and analysis	43,634	36,211	79,845
Camp costs, supplies and logistics	25,667	122,861	148,528
Drilling and drilling related costs	5,824	365,675	371,499
Environmental review	2,205	-	2,205
Geological services	253,809	17,610	271,419
Property examination	603,214	(21,603)	581,611
Project management	92,750	35,400	128,150
Stock-based compensation	123,367	18,389	141,756
Travel	75,617	2,163	77,780
	<u>1,368,784</u>	<u>608,376</u>	<u>1,977,160</u>
More Creek Project, British Columbia:			
Acquisition costs	175,500	-	175,500
Geological services	-	10,675	10,675
Legal	10,960	-	10,960
Assay and analysis	341	-	341
Property examination	16,567	-	16,567
	<u>203,368</u>	<u>10,675</u>	<u>214,043</u>
Stock Property, British Columbia:			
Geological services	-	21,000	21,000
	<u>-</u>	<u>21,000</u>	<u>21,000</u>
Total Exploration and Evaluation Assets:	<u>\$ 1,605,781</u>	<u>\$ 640,051</u>	<u>\$ 2,245,832</u>

General and Administrative expenses during the fourth quarter ending January 31 were as follows:

	For the Quarters Ending January 31,	
	2019	2018
Expenses		
Advertising	\$ 1,039	\$ 8,861
Amortization	2,274	2,177
Consulting fees	35,691	29,729
Corporate development	16,750	175,865
Director fees	18,000	43,000
Management fees	-	26,000
Marketing and investor relations (IR)	13,205	119,284
Office and miscellaneous	14,349	18,225
Professional fees	18,583	10,672
Regulatory, filing and transfer agent fees	11,177	898
Rent	11,146	28,875
Share-based payment expenses	-	74,102
Travel and entertainment	46,580	42,954
Total General and Administrative expenses	\$ (188,794)	\$ (580,642)

The general and administrative expenses for the fourth quarter ended January 31, 2019 totaled \$188,794 (2018: \$580,642). Travel and entertainment of \$46,580 (2018-\$42,954) made up the largest category, followed in order of decreasing magnitude by Consulting fees of \$35,691 (2018-\$29,729), Professional fees of \$18,583 (2018-\$10,672), Director fees of \$18,000 (2018-\$43,000), Corporate development of \$16,750 (2018-\$175,865), Office and miscellaneous of \$14,349 (2018-\$18,225), Marketing and IR of \$13,205 (2018-\$119,284), Regulatory, filing and transfer agent fees of \$11,177 (2018 - \$898), Rent of \$11,146 (2018-\$28,875), Amortization of \$2,274 (2018-\$2,177) and Advertising of \$1,039 (2018-\$8,861).

In the final quarter of the fiscal year, there had been an effort to reduce overheads, especially in the areas of promotional activities, as is reflected in the drastic reductions in Corporate development fees, and Marketing and IR fees. Additionally, there were no stock option grants in the 2019 fiscal year and this is reflected in the absence of share-based payment expenses in the quarter.

SELECTED ANNUAL INFORMATION

The following table sets out certain audited financial information for the Company for each of the last three fiscal years.

Fiscal Year ended	Jan 31, 2019	Jan 31, 2018	Jan 31, 2017
Reporting Framework	IFRS	IFRS	IFRS
Total revenue	\$ Nil	\$ Nil	\$ Nil
Expenses	\$ 1,184,568	\$ 2,515,121	\$ 462,510
Exploration expenses	\$ 2,288,374	\$ 2,165,164	\$ 52,459
Net loss	\$ 2,742,326	\$ 1,112,077	\$ 558,724
Deficit	\$ 11,779,780	\$ 9,037,454	\$ 7,925,377
Total assets	\$ 4,744,150	\$ 5,635,305	\$ 206,075

SUMMARY OF QUARTERLY RESULTS

The following table sets out certain unaudited financial information for the Company for each of the last eight quarters.

Quarter ended	Jan 31, 2019	Oct 31, 2018	Jul 31, 2018	Apr 30, 2018
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
G & A expenses	\$ 188,794	\$ 244,608	\$ 332,128	\$ 419,038
Exploration expenses	\$ 128,633	\$ 1,424,275	\$ 595,067	\$ 140,399
Net loss (income)	\$ 420,560	\$ 466,314	\$ 304,692	\$ 1,550,760
Exploration and evaluation assets	\$ 3,930,817	\$ 4,264,118	\$ 2,839,843	\$ 2,244,776
Total assets	\$ 4,744,150	\$ 4,881,338	\$ 4,295,485	\$ 4,087,931

Quarter ended	Jan 31, 2018	Oct 31, 2017	Jul 31, 2017	Apr 30, 2017
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
G & A expenses	\$ 496,233	\$ 1,406,872	\$ 352,183	\$ 259,833
Exploration expenses	\$ 640,051	\$ 936,533	\$ 478,732	\$ 109,848
Net loss (income)	\$ (906,811)	\$ 1,406,872	\$ 352,183	\$ 259,833
Exploration and evaluation assets	\$ 2,245,832	\$ 1,605,781	\$ 669,248	\$ 190,516
Total assets	\$ 5,635,305	\$ 3,186,606	\$ 1,285,796	\$ 459,976

LIQUIDITY AND CAPITAL RESOURCES

The activities of the Company, principally the acquisition of mineral properties and exploration thereon, are financed through the completion of equity offerings involving the sale of equity securities. These equity offerings generally include private placements and the exercise of warrants and options.

As at January 31, 2019 there were 775,000 options outstanding at an average exercise price of \$0.19 and 19,685,272 share purchase warrants outstanding at an exercise price of \$0.19.

As of January 31, 2019, the Company had \$83,392 in cash (2018: \$1,292,065) and working capital of \$189,224 (2018: \$2,794,031).

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company does not have any long term contractual obligations.

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

The key management personnel of the Company are the Directors, Chief Executive Officer, Chief Financial Officer, Vice President, Exploration and Project Manager.

During the year ended January 31, 2019, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

- a) Incurred \$89,000 (2018 – \$174,000) in management fees to the former president and director of the Company; and
- b) Incurred \$39,130 (2018 – \$28,875) in shared office rent to a company with an officer in common with the Company;
- c) Incurred \$72,000 (2018-\$79,000) in director fees.
- d) Incurred \$115,800 (2018-\$128,150) in project management fees included in exploration and evaluation expenditures;
- e) Incurred \$95,228 (2018-\$15,000) in consulting fees towards exploration and evaluation assets to the VP Exploration;
- f) Issued \$22,000 \$(2018-\$Nil) to the CFO of the Company for accounting service
- g) Incurred \$Nil (2018-\$53,750) in consulting fees to a former director.
- h) Incurred \$Nil (2018-\$153,045) in corporate development fees to a former director; and
- i) Incurred \$Nil (2018-\$400,041) in share based payment expenses to the CEO, President, Project Manager, director, former directors and VP of Exploration of the Company.

The Following table illustrates the compensation of the Company's current and former key management personnel:

	<u>Year ending January 31</u>	
	2019	2018
Management fees	\$ 89,000	\$ 174,000
Director fees	72,000	\$ 79,000
Consulting fees	22,000	\$ -
Administration, consulting and maintenance capitalized to Exploration & Evaluation Assets	211,028	\$ 15,000
Share-based payments in Exploration & Evaluation Assets	-	\$ 141,756
Share-based payments	-	\$ 14,281
Totals	\$ 394,028	\$ 424,037

As at January 31, 2019 included in accounts payable and accrued liabilities is \$215,517 (January 31, 2018 – \$164,888) due to related parties.

SHARES ISSUED AND OUTSTANDING

As at January 31, 2019 the Company had 92,070,684 shares outstanding, 775,000 options outstanding and 19,685,272 share purchase warrants outstanding. As of May 30, 2019 the Company had 105,651,684 shares outstanding, 5,900,000 options outstanding and 19,454,540 share purchase warrants outstanding.

BOARD CHANGES

On October 15, 2018, the Company announced the resignation of Jason Cubitt from its Board of Directors.

SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRS applicable to the preparation of financial statements. The company has consistently applied the same accounting policies in its opening IFRS statement of financial position at February 1, 2010 and throughout all periods presented, as if these policies had always been in effect. The Company's significant accounting policies have not changed materially as a result of the adoption of IFRS but include the following policies for clarity.

New accounting pronouncements and changes in accounting policies

A description of the accounting standards adopted during the year, as well as a summary of new accounting standards and interpretations not yet adopted can be found in Note 3 of the audited financial statements for the year ended January 31, 2019.

FINANCIAL INSTRUMENTS

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

Cash is carried at fair value using level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to cash is remote. Receivables are due primarily from government agencies.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash and term deposits in its banking institutions and does not believe interest rate risk to be significant.

(b) Foreign currency risk

The Company has no exposure at the present time to foreign currency risk on fluctuations related to cash, receivables, accounts payable and accrued liabilities since almost all transactions are denominated in Canadian Dollars.

(c) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to 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. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RISKS AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has No History of Operations

The Company has no history of operations and is in the early stages of exploration on its mining property. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

There is Uncertainty in the Nature and Amount of the Company's Resources

While the Company has carried out, and will carry out on an annual basis, estimates of its mineral resources, this should not be construed as a guarantee that such estimates are accurate. If such estimates prove to be materially inaccurate, that would have a material and adverse effect on the Company's business and results of operations.