

**CANADA ONE MINING CORP. (“the Company”)**  
Suite 580 – 510 Hornby Street, Vancouver  
British Columbia, Canada  
V6C 3B6

June 29, 2018

---

**MANAGEMENT DISCUSSION & ANALYSIS**

---

This discussion and analysis should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes thereto for the period ended April 30, 2018. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The reader should also refer to the audited consolidated financial statements and related notes thereof for the year ended July 31, 2017 (“Financial Statements”), which have been prepared in accordance with IFRS.

All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

Additional information relating to our company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Forward-looking information**

---

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management’s expectations regarding the Company’s future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be

materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See “Risks and Uncertainties”) contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

## **Overview**

---

We are a mineral exploration company engaged in the acquisition, exploration and development of exploration and evaluation assets (primarily base and precious metals). We do not have any producing exploration and evaluation assets at this time. Our business is presently focused on the exploration and evaluation of various mineral deposits in the Province of British Columbia, Canada.

We are a reporting issuer in each of the Provinces of British Columbia and Alberta. Our head and principal office is located at Suite 580 – 510 Hornby Street Vancouver, British Columbia, V6C 3B6. Our registered and records office is located at Suite 2610 Oceanic Plaza, 1066 West Hastings Street, Vancouver, BC, V6E 3X1.

On August 25, 2017, the Company changed its name to “Canada One Mining Corp.” Effective at the open of markets on August 30, 2017, trading commenced on the TSX Venture Exchange (“TSX-V”) under the new name and ticker symbol “CONE”.

## ***Exploration and Evaluation Assets***

---

### **British Columbia**

#### **Zeus**

The Company has a 100% interest in the Zeus claims located in Lillooet, British Columbia. The claims are subject to a 2% NSR, which may be purchased for \$500,000 per 1% NSR.

## **Results of Operations for the period ended April 30, 2018 and 2017**

---

### ***Overview***

For the period ended April 30, 2018, the Company incurred a net loss and comprehensive loss of \$351,452 (2017 - \$113,064). The Company expects to continue to incur losses for fiscal 2018 as exploration and evaluation assets are developed.

## *Expenses*

Loss and comprehensive loss for the nine month period ended April 30, 2018 totalled \$351,452 (2017 - \$113,064). Details of significant fluctuations in loss before income taxes are as follows:

- Consulting expense of \$96,120 (2017 - \$15,000). The increase in fees is a result of the Company being under new management and more active.
- Management fees of \$117,000 (2017 - \$45,000). Management fees increased due the newly appointed CEO and CFO having a higher management fees in the current period.
- Marketing fees of \$20,386 (2017 - \$Nil). Marketing fees increased due to increased marketing activities under new management and increased activities.
- Office of \$24,605 (2017 - \$12,394). Office increased primarily due to the Company renting new office space and engaging an administration consultant.
- Professional fees of \$44,099 (2017 - \$13,328). Professional fees increased due to legal fees incurred related to the private placement closed in the previous year.
- Travel of \$27,868 (2017 - \$Nil). Travel increased primarily due to more business trips taken during the current period.

Loss and comprehensive loss for the three month period ended April 30, 2018 totalled \$172,015 (2017 - \$52,500). Details of significant fluctuations in loss before income taxes are as follows:

- Consulting expense of \$64,952 (2017 - \$5,000). The increase in fees is a result of the Company being under new management and more active.
- Management fees of \$39,000 (2017 - \$27,500). Management fees increased due the newly appointed CEO and CFO having a higher management fees in the current period.
- Office of \$7,837 (2017 - \$4,390). Office increased primarily due to the Company renting new office space and engaging an administration consultant.
- Professional fees of \$24,240 (2017 - \$4,050). Professional fees increased due to higher legal fees incurred during the current period.
- Travel of \$27,868 (2017 - \$Nil). Travel increased primarily due to more business trips taken during the current period.

## Summary of Quarterly Results

---

The following table sets out selected consolidated quarterly information for the last eight quarters.

Three Months Ended	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017
Interest Income	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation assets	13,646	13,646	7,806	7,806
Deficit	22,281,237	22,109,222	22,010,551	21,929,785
Net Loss	172,015	98,671	80,766	190,653
Basic and Diluted Loss Per Share	0.01	0.00	0.00	0.02

Three Months Ended	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
Interest Income	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Exploration and evaluation assets	2,052	2,052	535	535
Deficit	21,739,132	21,686,632	21,653,032	21,626,068
Net Loss	52,500	33,600	26,964	63,712
Basic and Diluted Loss Per Share	0.01	0.01	0.00	0.01

## Liquidity and Capital Resources

---

The Company's cash and working deficit position as at April 30, 2018 compared to July 31, 2017 is as follows:

	April 30, 2018	July 31, 2017
Cash	\$ 5,464	\$ 247,793
Working deficit	(136,391)	(66,216)

Long-term profitability will be directly related to the success of our exploration and evaluation asset acquisition and exploration activities. Management will pursue additional financing to fund exploration and evaluation assets acquisition and exploration activities, and/or enter into joint venture agreements with third parties, as we do not generate any revenue from operations.

Management believes that the current cash and working capital position will sustain reduced operations. However, there can be no assurance that financing will be available to us in the amount required or, if available, that it can be obtained on terms satisfactory to us. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company does not have any long-term debt obligations.

## **Transactions with Related Parties**

---

Key management compensation includes all fees paid or accrued to officers and/or directors described in this note. Except as disclosed elsewhere in these financial statements, related party transactions incurred during the period ended April 30, 2018 were as follows:

Management fees totaling \$Nil (2017 - \$45,000), and office and general expenses of \$Nil (2017 - \$150) were accrued to the former Chief Executive Officer (“CEO”), who is also a former director of the Company. During the year ended July 31, 2017, the former CEO assigned \$513,813 of his debt to a non-related individual, thereby reducing the balance owing at April 30, 2018 to \$44,167 (July 31, 2017 - \$44,167).

Management fees totaling \$90,000 (2017 - \$Nil) and office costs of \$22,500 (2017 - \$Nil) were accrued to a corporation owned by the CEO and director of the Company. The Company entered into agreements with various vendors to reassign \$418,037 of debt to this related party, which was then settled through the issuance of 4,180,370 units (Note 9). At April 30, 2018, \$13,125 (July 31, 2017 – \$102,375) was owed to this related party. During the period ended April 30, 2018, the Company loaned \$155,000 to this related party. The loan is non-interest bearing and has no fixed terms of repayment. At April 30, 2018, the loan remained receivable.

Management fees totaling \$27,000 (2017 - \$Nil) were accrued to a corporation owned by the Chief Financial Officer (“CFO”), who is also a director of the Company. At April 30, 2018, \$28,350 (July 31, 2017 - \$3,150) was owed to this related party.

During the year ended July 31, 2017, the former CFO and director of the Company assigned \$19,643 of his debt to a related party, thereby reducing the balance owing at July 31, 2017 to \$Nil.

As at April 30, 2018, total amounts due to related parties included in accounts payable and accrued liabilities was \$85,642 (July 31, 2017 - \$149,692). Amounts due to related parties are unsecured, non-interest bearing and are due on demand.

During the period ended April 30, 2018, the Company received \$250,000 from a Company related by a common director for a future private placement. At April 30, 2018, the amount remained as a share subscription received in advance.

## **Share Capital**

---

Authorized share capital consists of an unlimited number of common shares without par value.

As at June 29, 2018, the Company had 21,542,110 common shares outstanding. In addition, the Company had stock options to purchase up to an aggregate of 10,000 common shares at exercise prices of \$0.50, and warrants to purchase up to an aggregate of 15,192,553 common shares at exercise prices of \$0.15.

## **Risks and Uncertainties**

---

The carrying values of the Company’s cash, reclamation bonds, accounts payable and accrued liabilities, loans payable and advances from related parties approximate their value due to their short-term nature.

The Company’s risk exposure and the impact on the Company’s financial instruments are summarized below.

## **Credit Risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to its holdings of cash and reclamation deposits. The carrying amounts of these financial assets represent the maximum credit exposure. The Company manages credit risk by placing its cash with major financial institutions in conservative cash-based liquid investments. Reclamation bonds are held with state or provincial government authorities. The Company monitors its exposure to credit risk on an ongoing basis.

## **Liquidity Risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is forecasting cash flows from operations and anticipating investing and financing activities.

Accounts payable have maturities of 90 days or less and are subject to normal trade terms. Advances from related party are due on demand.

## **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The risks to which the Company is exposed are:

i) Interest rate risk

The Company is not exposed to significant interest rate risk.

ii) Foreign currency risk

The Company's functional currency is the Canadian dollar. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets and liabilities and operating results. The Company does not manage currency risks through hedging or other currency management tools.

As at April 30, 2018, the Company did not have any significant financial instruments subject to currency risk denominated in United States.

iii) 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. The Company is not exposed to significant other price risk.

Our principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, but not limited to, environmental, metal prices, political and economical. Although we have taken steps to verify the title to exploration and evaluation assets in which we have an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

We have no significant sources of operating cash flow and no revenue from operations. Additional capital

will be required to fund our exploration program. The sources of funds available to us are the sale of marketable securities, sale of equity capital or the offering of an interest in its project to another party. There is no assurance that we will be able to obtain adequate financing in the future or that such financing will be advantageous to us.

The property interests owned by us or in which we have an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of our mineral exploration may not result in any discoveries of commercial bodies of mineralization. If our efforts do not result in any discovery of commercial mineralization, we will be forced to look for other exploration projects or cease operations.

We are subject to the laws and regulations relating to environmental matters in all jurisdictions in which we operate, including provisions relating to property reclamation, discharge of hazardous materials and other matters. We may also be held liable should environmental problems be discovered that were caused by former owners and operators of our properties in which we previously had no interest. We conduct its mineral exploration activities in compliance with applicable environmental protection legislation. We are not aware of any existing environmental problems related to any of our current or former properties that may result in material liabilities to us.

### **Financial Instruments**

The Company prepares its consolidated financial statements in conformity with IFRS. The Company lists its significant accounting policies and its financial instruments in Notes 2 and 3, respectively, to its interim unaudited consolidated financial statements for the period ended April 30, 2018.

### **Dependence on Management**

---

We are dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on our business. We do not maintain key employee insurance on any of our employees.

### **Off-Balance Sheet Arrangements**

---

We did not enter into any off-balance sheet transactions or commitments as defined by NI 51 –102.