

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the nine months ended May 31, 2018 contains forward-looking information including forward-looking information about BlueBird Battery Metals Inc.'s (formerly Golden Peak Minerals Inc.) (the "Company" or "BlueBird") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the nine months ended May 31, 2018 should be read in conjunction with the condensed consolidated interim financial statements as at May 31, 2018. This MD&A is effective July 20, 2018. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed consolidated interim financial statements for the nine months ended May 31, 2018 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

DESCRIPTION OF BUSINESS

The Company is an exploration stage company incorporated pursuant to the British Columbia *Business Corporations Act* on March 31, 2011. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company changed its name from Golden Peak Minerals Inc. to BlueBird Battery Metals Inc. on April 17, 2018. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BATT" and on the OTCQB under the symbol "GPKMF". The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

The Company is currently focusing its financial resources on conducting exploration programs. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.



(formerly Golden Peak Minerals Inc.)

Management Discussion and Analysis

For the Nine Months Ended
May 31, 2018

EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation asset are summarized as follows:

	Atikwa Lake/Maybrun Properties	Hemlo Property	Batt Property	Canegrass Property	Other Properties	Total
Acquisition Costs						
Balance, August 31, 2016	\$ 61,209	\$ -	\$ -	\$ -	\$ 307,750	\$ 368,959
Acquisition and option payments (cash)	56,480	205,000	-	-	50,000	311,480
Acquisition and option payments (shares)	607,000	2,074,500	-	-	110,000	2,791,500
Claim costs	1,264	10,522	-	-	-	11,786
Impairment	-	-	-	-	(467,750)	(467,750)
Balance, August 31, 2017	725,953	2,290,022	-	-	-	3,015,975
Acquisition and option payments (cash)	-	-	25,000	50,000	-	75,000
Acquisition and option payments (shares)	-	883,500	67,500	945,707	-	1,896,707
Claim costs	1,331	1,016	-	-	-	2,347
Impairment	(17,000)	(3,174,538)	-	-	-	(3,191,538)
Balance, May 31, 2018	\$ 710,284	\$ -	\$ 92,500	\$ 995,707	\$ -	\$ 1,798,491
Deferred Exploration Expenditures						
Balance, August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Camp and other	72,223	438,161	-	-	80,173	590,557
Geological	108,823	346,460	-	-	159,647	614,930
Geophysics	-	129,762	-	-	-	129,762
Impairment	-	-	-	-	(264,820)	(264,820)
Balance, August 31, 2017	181,046	914,383	-	-	-	1,095,429
Camp and other	6,000	15,100	-	-	-	21,100
Geological	62,750	13,750	-	-	-	76,500
Geophysics	-	158,523	-	62,246	-	220,769
Impairment	(12,628)	(1,101,756)	-	-	-	(1,114,384)
Balance, May 31, 2018	\$ 237,168	\$ -	\$ -	\$ 62,246	\$ -	\$ 299,414
Total Exploration and Evaluation Assets						
Balance, August 31, 2017	\$ 906,999	\$ 3,204,405	\$ -	\$ -	\$ -	\$ 4,111,404
Balance, May 31, 2018	\$ 947,452	\$ -	\$ 92,500	\$ 1,057,953	\$ -	\$ 2,097,905

Atikwa Lake / Maybrun Property

The Atikwa Lake Property is located in northwestern Ontario in the Rainy River district, an emerging gold camp. The Company has assembled a land position centered around the Maybrun Mine, a past producing gold-copper deposit.

On February 4, 2016, the Company entered into an agreement to acquire a 100% undivided interest in 20 mineral claims located in Ontario. As consideration, the Company issued 75,000 common shares of the Company at a value of \$60,000.

In March 2017, an additional five claims were acquired for \$6,480.

On April 7, 2017, the Company entered into an agreement to acquire a 100% interest in the Maybrun Property located in Ontario. As consideration, the Company issued 1,200,000 common shares at a value of \$600,000 and paid \$40,000 in cash.

The vendors retain a 2% net smelter return royalty (“NSR”) on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

On June 19, 2017, the Company entered into an option agreement to acquire additional claims on the Atikwa Lake Property. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 25,000 common shares of the Company (issued) and making a cash payment of \$10,000 (paid) upon approval by the TSX-V;
- Issuing 25,000 common shares of the Company and making a cash payment of \$25,000 by June 23, 2018;
- Issuing 50,000 common shares of the Company and making a cash payment of \$35,000 by June 23, 2019; and
- Issuing 85,000 common shares of the Company and making a cash payment of \$60,000 by June 23, 2020.

The Company was also required to incur exploration expenditures on the additional claims as follows:

- \$50,000 on or before June 19, 2018;
- An additional \$75,000 on or before June 19, 2019; and
- An additional \$150,000 on or before June 19, 2020.

The vendors retained a 2% NSR on the property. The Company had the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

On April 6, 2018, the Company provided termination notice to the vendors of the June 19, 2017 option agreement. The Company recorded an impairment of \$26,628 as a result of the termination.

Canegrass Property

On March 15, 2018, the Company entered into an option agreement with Trafalgar Resources Pty. Ltd. (“Trafalgar”) to acquire a 100% interest in the Canegrass Property, located in the Mount Magnet region of Western Australia.

In consideration, the Company must make payments as follows:

- Cash payment of \$25,000 (paid) and issuance of 3,000,000 common shares of the Company (issued) upon approval by the TSX-V (approval received on March 31, 2018);
- Issuance of an additional 1,875,000 common shares of the Company on or before March 21, 2019; and
- Issuance of an additional 1,875,000 common shares of the Company on or before March 21, 2020.

The Company must also incur exploration expenditures as follows:

- \$500,000 on or before March 21, 2019;
- An additional \$1,000,000 on or before March 21, 2020; and
- An additional \$1,500,000 on or before March 21, 2021.

A finder's fee of 261,058 shares was paid in relation to the agreement. Subject to further TSX-V approval, a discovery bonus of 1,500,000 common shares of the Company will be issued in the event of discovery of a copper/cobalt resource of 250,000 ounces or greater on the Canegrass Property.

The Company also paid a \$25,000 letter of intent ("LOI") fee to Trafalgar during the nine months ended May 31, 2018.

Batt Property

On March 26, 2018, the Company entered into an option agreement with Strategic Metals Ltd. ("Strategic") to acquire an 80% interest in the Batt Property, located in Yukon Territory.

In consideration, the Company paid cash of \$25,000 and issued 250,000 common shares of the Company.

The Company must also incur exploration expenditures as follows:

- \$50,000 on or before March 31, 2019;
- An additional \$150,000 on or before March 31, 2020; and
- An additional \$300,000 on or before March 31, 2021.

Strategic retains a 1% NSR on the property. In the case the option agreement terms are met, a joint venture ("JV") will be formed between the Company and Strategic. Should Strategic's JV participation drop below 10%, the NSR will increase to 2%. At that time, the Company may repurchase 1% (one-half) of the NSR for \$1,000,000, subject to further TSX-V approval.

The Company intends to commence a summer exploration program on the Batt Property in August 2018.

Hemlo Properties

Heikki Property

On October 28, 2016, and as amended November 17, 2017, the Company entered into four option agreements to acquire the Esa, Kulta, Seija and Soturi properties, collectively, the Heikki Property.

Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 2,600,000 common shares of the Company (issued and valued at \$1,040,000) and making a cash payment of \$105,000 (paid) upon approval by the TSX-V;
- Issuing 3,100,000 common shares of the Company by January 31, 2018; and
- Issuing 1,750,000 common shares of the Company by November 17, 2018.

The vendors retained a 3% NSR on the property. The Company had the option to purchase 1% of the 3% NSR (one-third) at a price of \$500,000.

On August 9, 2017, the Company announced initial results of a completed airborne VTEM™ survey and the completion and filing of the initial National Instrument (“NI”) 43-101 Technical Report on the Heikki Property.

NI-43-101 Technical Report Highlights:

- The Report, based on positive merits of the project and exploration potential, recommends:
 - Completion of a CAD\$2.6 million, two phase exploration program that includes airborne and surface geophysics, regional and local scale geological mapping and sampling (Phase 1) followed by compilation, interpretation and diamond drilling (Phase 2).
- The Report also provides a recommendation that the area where the metasedimentary and intermediate/mafic volcanic rocks are in contact with the Cedar Lake Pluton is a prime exploration target.

The Company filed the Report entitled “N.I. 43-101 Technical Report on the Heikki Hemlo Property” dated July 17, 2017. The Report was authored by independent consultants Peter Caldbick, P.Geo. and J. Garry Clark, P.Geo. The Report is available on SEDAR (www.sedar.com) under the Company’s profile.

On April 6, 2018, the Company provided termination notice to the vendors of the Heikki Property. The Company issued 3,100,000 common shares of the Company valued at \$883,500 in relation to the January 31, 2018 payment. The Company recorded an impairment of \$2,997,499 as a result of the termination.

Hemlo East

On January 27, 2017, the Company entered into an option agreement to acquire the Hemlo East Property, located in Ontario. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 750,000 common shares of the Company (issued and valued at \$352,500) and making a cash payment of \$100,000 (paid) upon approval by the TSX-V;
- Issuing 500,000 common shares of the Company and making a cash payment of \$100,000 by February 8, 2018;
- Issuing 500,000 common shares of the Company and making a cash payment of \$100,000 by February 8, 2019; and
- Issuing 500,000 common shares of the Company and making a cash payment of \$40,000 by February 8, 2020.

The Company was also required to incur exploration expenditures on the property as follows:

- \$600,000 on or before January 27, 2018;
- An additional \$600,000 on or before January 27, 2019; and
- An additional \$600,000 on or before January 27, 2020.

The vendor retained a 2.5% NSR on the property. The Company had the option to purchase 0.5% of the 2.5% NSR (one-fifth) at a price of US \$1,000,000.

On January 31, 2018, the Company provided termination notice to the vendor of the Hemlo East Property. The Company recorded an impairment of \$591,195 as a result of the termination.

Hemlo East Extension and Hemlo West

On May 31, 2017, and as amended December 18, 2017 and January 31, 2018, the Company entered into two agreements to acquire additional claims in the Hemlo area. Under the terms of the agreements, the Company could earn a 100% interest by making payments as follows:

- Issuing 2,200,000 common shares of the Company upon approval by the TSX-V (issued and valued at \$682,000); and
- Issuing 1,000,000 common shares of the Company and making a cash payment of \$500,000 by March 2, 2018.

The vendors retained a 2% NSR on each property. The Company had the option to purchase 1% of each 2% NSR (one-half) at a price of \$1,000,000 each.

On April 6, 2018, the Company provided termination notice to the vendors of the Hemlo East Extension Property and Hemlo West Property. The Company recorded an impairment of \$687,600 as a result of the terminations.

Other Properties

Grenfell Property

On October 13, 2016, the Company entered into an option agreement to acquire the Grenfell Property, located in Ontario. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 250,000 common shares of the Company (issued and valued at \$110,000) and making a cash payment of \$50,000 (paid) upon approval by the TSX-V;
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2017;
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2018; and
- Issuing 250,000 common shares of the Company and making a cash payment of \$50,000 by October 26, 2019.

In the event of a minimum discovery of 1,000,000 ounces of gold or gold equivalent resource, the Company would pay a bonus of \$1,000,000 to the optionor upon completion of a NI 43-101 compliant

report. The original vendor retained a 2% NSR on the property. The Company had the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

At August 31, 2017, the Company determined it would not make the payment of 250,000 common shares and \$50,000 due on October 26, 2017. Accordingly, the property was written down to \$nil.

Lac Lapointe Property

On February 15, 2016, the Company entered into an option agreement to acquire a 100% undivided interest in 20 mineral claims located in Quebec. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 132,500 common shares of the Company upon approval by the TSX-V (issued and valued at \$92,750);
- Cash payment of \$40,000 on or before August 15, 2017; and
- Cash payment of \$100,000 on or before February 15, 2019.

The vendor retained a 2% gross overriding royalty return (“GORR”) on the property. The Company had the option to purchase 1% of the 2% GORR (one-half) at a price of \$1,000,000.

The Company did not make the payment of \$40,000 due on August 15, 2017. Accordingly, the property was written down to \$nil.

Foubert Lake Property

On June 26, 2015, the Company entered into an agreement to acquire a 100% undivided interest in 11 mineral claims located in Quebec. As consideration, the Company paid a total of \$11,000 in cash and issued a total of 240,000 common shares of the Company at a value of \$144,000.

The vendor retained a 1% NSR on the property. The Company had the option to purchase the NSR at a price of \$500,000.

At August 31, 2017, the Company determined that the value of the property was impaired, and it was written down to \$nil.

Oyster Property

On September 23, 2015, the Company entered into an agreement to acquire a 100% undivided interest in four mineral claims located in Manitoba. As consideration, the Company issued 100,000 common shares of the Company at a value of \$60,000.

The vendor retained a 3% GORR on the property. The Company had the option to purchase 1% of the 3% GORR (one-third) at a price of \$1,000,000.

At August 31, 2017, the Company determined that the value of the property was impaired, and it was written down to \$nil.

Flow-through

At May 31, 2018, the Company had no remaining commitment to incur exploration expenditures in relation to its December 2016 flow-through share financing.

SELECTED ANNUAL INFORMATION

	August 31, 2017 \$	August 31, 2016 \$	August 31, 2015 \$
Revenue	-	-	-
Net loss and comprehensive loss	(1,751,417)	(575,236)	(199,624)
Basic and diluted loss per share	(0.14)	(0.37)	(0.18)
Total assets	4,365,163	400,988	435,173
Long-term debt	-	-	-
Dividends	-	-	-

SUMMARY OF QUARTERLY RESULTS
(\$000s except earnings per share)

For the Quarter Periods Ending on	May 31, 2018 \$	February 28, 2018 \$	November 30, 2017 \$	August 31, 2017 \$
Revenue	-	-	-	-
Net loss and comprehensive loss	(1,033)	(4,214)	(119)	(788)
Basic and diluted loss per common share	(0.03)	(0.23)	(0.01)	(0.04)

For the Quarter Periods Ending on	May 31, 2017 \$	February 28, 2017 \$	November 30, 2016 \$	August 31, 2016 \$
Revenue	-	-	-	-
Net loss and comprehensive loss	(574)	(81)	(308)	(425)
Basic and diluted loss per common share	(0.04)	(0.01)	(0.06)	(0.27)

OPERATIONS

Three months ended May 31, 2018

During the three months ended May 31, 2018 (which is Q3 2018), the Company reported a net loss of \$1,033,049 (2017 - \$574,132). Variations in expenses from the three months ended May 31, 2018 to the three months ended May 31, 2017 were as follows:

- Consulting fees of \$111,500 (2017 - \$130,473) decreased as the Company engaged less consultants during Q3 2018 than the same period in 2017;

- Management fees of \$52,500 (2017 - \$28,500) increased primarily as a result of the CEO's fees being capitalized to exploration and evaluation assets in Q3 2017;
- Office and general of \$10,485 (2017 - \$1,505) increased due to more activity;
- Professional fees of \$27,133 (2017 - \$3,318) increased due to legal fees;
- Rent of \$9,000 (2017 - \$6,725) increased due to increased rents in 2018;
- Share-based payments of \$247,405 (2017 - \$409,077) was the result of options granted in 2018;
- Shareholder communications and investor relations of \$70,346 (2017 - \$12,600) was the result of increased promotional activity for the Company in Q3 2018;
- Transfer agent and filing fees of \$19,961 (2017 - \$9,937) increased due to filing fees related to acquisitions and private placements;
- Travel of \$112,719 (2017 - \$nil) related to increased promotional activity for Q3 2018;
- Other income of \$nil (2017 - \$88,990) relates to the reduction of other liability (which reflects the premium paid by investors on the Company's 2016 flow-through share grant) upon completion of qualifying exploration expenditures by the Company; and
- Impairment of exploration and evaluation assets of \$372,000 (2017 - \$60,000) is the result of the last share issuance in relation to the Hemlo properties.

Nine months ended May 31, 2018

During the nine months ended May 31, 2018 (which is Q3 2018), the Company reported a net loss of \$5,366,588 (2017 - \$963,234). Variations in expenses from the nine months ended May 31, 2018 to the nine months ended May 31, 2017 were as follows:

- Consulting fees of \$433,944 (2017 - \$294,481) increased as the Company engaged additional consultants later in the 2017 fiscal year that continued into 2018;
- Management fees of \$87,500 (2017 - \$101,750) decreased primarily as a result of the CEO's fees being capitalized to exploration and evaluation assets in 2018;
- Office and general of \$24,890 (2017 - \$13,625) increased due to additional activity in 2018;
- Professional fees of \$39,351 (2017 - \$4,729) increased primarily due to legal fees;
- Rent of \$27,000 (2017 - \$13,525) due to higher rents in 2018 and rent only being paid for part of 2017;
- Share-based payments of \$247,405 (2017 - \$421,627) was the result of options granted in 2018;
- Shareholder communications and investor relations of \$79,491 (2017 - \$90,105) was lower due to timing of expenditures;
- Transfer agent and filing fees of \$32,195 (2017 - \$79,588) increased due to filing fees related to acquisitions and private placements;
- Travel of \$114,171 (2017 - \$8,687) related to increased promotional activity for 2018;
- Other income of \$25,338 (2017 - \$235,110) relates to the reduction of other liability (which reflects the premium paid by investors on the Company's 2016 flow-through share grant) upon completion of qualifying exploration expenditures by the Company;
- Loss on settlement of accounts payable of \$nil (2017 - \$107,333) was the result of the Company issuing shares and warrants to settle accounts payable and the timing creating a difference in the valuation of the securities issued; and
- Impairment of exploration and evaluation assets of \$4,305,922 (2017 - \$60,000) is the result of the Company writing off the Hemlo properties and a portion of the Atikwa/Maybrun property.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at May 31, 2018 was \$819,518, compared to \$178,018 at August 31, 2017. The working capital was \$566,538 (August 31, 2017 – working capital of \$36,720).

The Company will need to raise additional financing in order to meet general working capital requirements for the 2018 fiscal year and to make option payments and continue exploration on its mineral properties. Subsequent to May 31, 2018, the Company received proceeds of \$267,525 on the exercise of 1,477,125 share purchase warrants.

SUBSEQUENT EVENTS

The following subsequent events are not discussed elsewhere in this MD&A:

- a) On June 7, 2018, the Company entered into a binding LOI to acquire a 100% interest in Oberon Gold Pty. Ltd. ("Oberon"), an Australian proprietary limited exploration company. Oberon controls 100% of the Sandy Point and Reedy Creek projects, located in New South Wales, Australia.

Under the terms of the LOI, which will be formalized by a definitive agreement, the Company will pay a total of \$245,000 (\$25,000 subsequently paid) and issue common shares of the Company with a value of up to \$1,300,000 over two years. The vendors will retain a 1% NSR on standard industry terms to be agreed between the parties. The Company will retain an exclusive and unlimited right to purchase the NSR for \$350,000 for each one-half of the NSR. The transaction is subject to TSX-V approval. A finder's fee will be paid in respect of the transaction pursuant to the policies of the TSX-V.

- b) On June 12, 2018, the Company entered into a binding LOI to acquire 100% of the Ashburton project, located in Western Australia, Australia.

Under the terms of the LOI, which will be formalized by a definitive agreement, the Company will pay \$25,000 and issue common shares of the Company with a value of \$1,500,000 over two years. The transaction is subject to TSX-V approval.

- c) On July 10, 2018, the Company entered into a binding LOI to acquire a 75% interest in Siouville Pty. Ltd. ("Siouville"), an Australian proprietary limited exploration company. Siouville controls 100% of the Broken Hill project, located in New South Wales, Australia.

The Company paid a \$25,000 non-refundable exclusivity fee upon signing the LOI.

Under the terms of the LOI, which will be formalized by a definitive agreement, in order to earn a 75% interest in Siouville, the Company will make payments as follows:

- Issuing 5,250,000 common shares of the Company and making a cash payment of \$125,000 within 10 days of TSX-V approval;
- Issuing common shares of the Company worth \$125,000 on the first anniversary of the definitive agreement;

- Issuing common shares of the Company worth \$125,000 on the second anniversary of the definitive agreement; and
- Issuing common shares of the Company worth \$250,000 on the third anniversary of the definitive agreement.

The Company must also incur exploration expenditures as follows:

- \$500,000 by the first anniversary of the definitive agreement;
- \$750,000 by the second anniversary of the definitive agreement; and
- \$1,000,000 by the third anniversary of the definitive agreement.

The definitive agreement will also contemplate the issue of up to 1,050,000 common shares of the Company six months after the definitive agreement is completed (subject to various reductions in number of shares issued depending on the trading price of the Company's shares).

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

	Nine Months Ended May 31, 2018	Nine Months Ended May 31, 2017
Geological	\$ 87,500	\$ 14,583
Management fees	\$ 87,500	\$ 101,750
Share-based compensation	\$ 172,775	\$ 94,402

Key management includes directors and officers of the Company, including the Chief Executive Officer and Chief Financial Officer.

During the nine months ended May 31, 2018, the Company paid or accrued \$nil (2017 - \$47,500) for consulting fees to companies controlled by directors and \$27,000 (2017 - \$nil) in rent to a company in which an officer of the Company is an officer and director.

As at May 31, 2018, included in accounts payable and accrued liabilities is \$32,958 (August 31, 2017 - \$3,216) due to a company controlled by an officer of the Company and \$nil (August 31, 2017 - \$47,032) due to a company in which an officer of the Company is an officer and director for shared administrative costs. These amounts are unsecured, non-interest-bearing and have no fixed terms of repayment.

COMMITMENTS

The Company is obligated to make certain payments and issue shares in connection with the acquisition of its exploration and evaluation assets.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Accounting standard effective January 1, 2018

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. Additional amendments include introduction of new hedge accounting model and a new expected-loss impairment model. This standard is effective for annual periods beginning on or after January 1, 2018.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early-adopt any of the new requirements.

CRITICAL ACCOUNTING POLICIES

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Impairment of exploration and evaluation assets

The application of the Company’s accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax

determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. The condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the condensed consolidated interim financial statements.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed consolidated interim financial statements.

Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at May 31, 2018, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash, receivables and accounts payable. Cash is classified as fair value through profit or loss. Receivables is classified as loans and receivables. Accounts payable is classified as other financial liabilities. The carrying values of these instruments approximate their fair values due to the relatively short periods to maturity of these instruments.

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk on cash, the Company places its cash with a major Canadian financial institution.

Liquidity risk

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at May 31, 2018, the Company had cash of \$819,518 (August 31, 2017 - \$178,018) to settle accounts payable and accrued liabilities of \$344,334 (August 31, 2017 - \$191,701), which fall due for payment within 30 days of May 31, 2018. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – The Company’s expenses are denominated in Canadian dollars. The Company’s corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company does not have any significant foreign currency denominated monetary assets or liabilities.
- ii) *Interest rate risk* – The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant, as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.
- 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 does not have significant exposure to this risk.

SHARE CAPITAL

As at July 20, 2018, the Company had the following securities issued and outstanding:

	July 20, 2018	May 31, 2018	August 31, 2017
Common Shares	41,333,882	39,284,057	17,855,453
Warrants	16,009,572	18,059,397	4,188,566
Stock Options	3,350,000	3,350,000	1,389,000
Fully Diluted Shares	60,693,454	60,693,454	23,433,019

BOARD OF DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors of the Company are as follows:

Peter A. Ball, CEO and Chairman
Alfred (Alf) Stewart, President and Director
Wesley Hanson, Director
Terry Topping, Director