LITHIUM ENERGI EXPLORATION INC.
AMENDED AND RESTATED
Management Discussion and Analysis
For the twelve-month period ended February 28, 2018

The Management Discussion and Analysis ("MD&A"), dated November 5, 2018 should be read in conjunction with the restated audited consolidated financial statements and notes thereto of Lithium Energi Exploration Inc. (the "Corporation" or the "Company") for the year ended February 28, 2018, which were prepared in accordance with International Financial Reporting Standards.

Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Corporation disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

NOTICE TO READER

In connection with an ordinary course continuous disclosure review by the Ontario Securities Commission, management reviewed its accounting for the fair value of the note payable to Arena Investors LP. The note payable is convertible into Units of the Company based on the average daily volume weighted average prices ("VWAP") and subject to a discount based on TSXV policies (the "Market Price"). The Units consist of shares and warrants. The Company had previously measured the fair value of the notes payable based on the fair value of the Units that would be issuable on conversion. The fair value of the rights to the shares was determined based on the difference between the most recent trading price of the Company's common shares and the Market Price of the shares. The fair value of the warrants was determined by using the Black-Scholes pricing model. This resulted in the note payable being recorded at an amount that was higher than proceeds received (the "Transaction Price"). The use of the Black-Scholes pricing model to determine the fair value of the note payable causes the fair value measurement to be classified as a Level 3 fair value measurement. IAS 39 "Financial instruments: recognition and measurement" requires that when the fair value measurement uses a Level 3 input, any difference between the fair value at initial recognition and the Transaction Price is deferred and only recognized to the extent that it arises from a change in factor (including time) that market participants would take into account when pricing an asset or liability.

The Company has revised the amount recognized for the note payable. Arena Investors LP may require settlement at any time to issue Units to settle the note payable. The Company has determined that the Market Price of the Units approximates fair value as on February 15, 2018 it issued identical units to a third party for cash. Therefore, the carrying value has instead been determined based on proceeds received adjusted for 5% discount and 2% transaction fee provided to Arena Investors LP on issuance and to reflect the coupon of 10% that is payable on settlement.

The Company has restated the February 28, 2018 consolidated financial statements to reflect the change in accounting for the note payable. Please refer to the notes to the financial statements for details of the restatement adjustments.

DESCRIPTION OF BUSINESS

Lithium Energi Exploration Inc. (the "Company") is a public company listed on the TSX Venture Exchange ("TSXV") and trades under the symbol LEXI. The Company is an exploration stage company engaged in the acquisition and exploration of exploration and evaluation assets and was incorporated on February 13, 1998 as 556524 B.C. Ltd. under the British Columbia Business Corporations Act. On October 29, 1998, the Company changed its name to Westmount Resources Ltd., on December 13, 2010, the Company changed its name to RX Mining Corp. and on July 11, 2011, the Company changed its name to Portola Resources Inc. On March 22, 2017, pursuant to a resolution passed by the Board of Directors on March 17, 2017, the Company changed its name to Lithium Energi Exploration, Inc.

The head office, principal address, records office and registered office of the Company is located at 161 Bay St. 27th Floor, Toronto, Ontario.

On November 27, 2013, the Board of Directors of the Company agreed to a Change of Business from that of a Mining Issuer to an Investment Issuer, subject to TSXV policy requirements and all requisite shareholder and other approvals. The TSXV suspended trading of the Company's outstanding common shares effective November 27, 2013. The common shares were to remain suspended until such time that the Company satisfied the requirements of the TSXV in order to permit the resumption of trading of such shares.

On October 21, 2016, the Board of Directors of the Company agreed to terminate the previously announced Change of Business and continued as a Mining Issuer, subject to TSXV policy requirements and other approvals. The Company's common shares were re-instated for trading on October 25, 2016.

On October 31, 2016, the Company issued 12,006,700 common shares pursuant to a private placement for gross proceeds of $1,801,500 at $0.15 per common share. In connection with the private placement, the Company granted 1,200,670 non-transferable finders' warrants, each entitling its holder to acquire one common share at $0.15 per common share for a 36-month period after closing of the private placement.

On December 5, 2016 at the request of the Company, it's common shares were halted from trading pending the Company's announcement that it had entered into a letter of intent to acquire certain lithium assets in Argentina as described in its December 6, 2016 news release.

On March 22, 2017, the Company completed the acquisitions of all the issued and outstanding share capital of Lithium Energi Argentina, S.A., Antofalla North, S.A., and Antofalla South, S.A. (collectively, the "Acquisitions"), which together hold a combined portfolio of projects comprising 128,367 hectares of lithium brine assets in the Argentina Province of Catamarca in the heart of the lithium triangle. The Company resumed trading on Friday March 24th, 2017 under the symbol "LEXI".

On May 11, 2017, the Company secured an exclusive right of first refusal (the "**ROFR**") to acquire all of the concessions held by Resource Ventures SA ("**ReVe**"), which included additional lithium prospects located near to the Properties. A 12-month period of exclusivity was granted during which the Company could pursue suitable terms and conditions by which it might acquire ReVe's concessions. On April 20, 2018, ReVe and the Company mutually agreed to extend the ROFR until September 30, 2018 and validated ReVe's claim holdings as being approximately 115,233 hectares in the Antofalla Salar basin complex and 38,459 hectares in the Pipanaco Salar. If exercised for all of ReVe's holdings, the Company's total claims would exceed 240,000 hectares in Catamarca Province. ReVe is controlled by Steven C. Howard and Omar E. Ortega, both shareholders and officers of the Company. ReVe's business, including the ongoing acquisition of claims now subject to the ROFR, was known to the Company's Board prior to Mr. Howard and Mr. Ortega being appointed as officers of the Company in April 2017. Exercising the ROFR would be a non-arms-length transaction subject to approvals by the TSXV and the Company's shareholders and to other conditions customary in transactions of this nature.

On August 11, 2017, the Company issued 7,227,200 common shares pursuant to a private placement at $0.10 per common share for gross proceeds of $722,720. No commissions or finder's fees were paid on the private placement.

On August 24, 2017 with an effective date of September 5, 2017 the Company entered into an agreement with IBC Advanced Technologies Inc. ("IBC") to utilize IBC's proprietary metals separation technology, known as Molecular Recognition Technology ("MRT") for selective lithium extraction in Argentina (the "IBC Agreement"). MRT is a method for metals separation that, when compared to conventional lithium brine processing methods, requires (1) no evaporation ponds (reduces 18 months of processing time), (2) less capital cost to build, (3) less cost to operate, (4) less time to process raw brine into finished products, and (5) no dangerous/expensive solvents and no hazardous waste residues. The Company believes that advancing its assessment of the MRT technology in parallel to completing a resource estimate may enhance its path to production by providing valuable data and guidance for a preliminary economic assessment. By extension, management believes the MRT process has the potential to enhance the Company's competitiveness by enabling lower cost production of lithium compounds as compared to conventional processing techniques. IBC and the Company have agreed that the Company has the exclusive right of first refusal until September 22, 2022 to obtain a site licence to use MRT at agreed upon production facility sites in respect of prospects in which the Company has an interest for the separation, recovery, refining and purification of lithium from brine prospects in territories exclusively licensed to the Company, comprising approx. 20,000 square kilometers in two areas of Catamarca Province and specifically including all of the areas in and around the salars of Antofalla, Hombre Muerto, and Pipanaco. The Company paid IBC $126,550 (US$100,000) in cash upon the execution of the IBC Agreement. On August 28, 2017, the Company issued to IBC 5,000,000 of its Common Shares at a deemed price of $0.155 per Common Share, as quoted on the TSXV at the time of the transaction, and on February 22, 2018 and March 15, 2018 the Company paid an additional $318,800 (US$250,000) and $324,700 (US$250,000) respectively, which together constituted the Company's payment in full for testing and engineering services. The Company anticipates additional future costs for site licensing or engineering services for other minerals, should any resources or positive economic assessments in respect of such minerals be established.

On January 26, 2018, the Company entered into a $16,000,000 funding agreement (the "Credit Facility") with Arena Investors LP. The Credit Facility is structured as an unsecured lending arrangement with up to five tranches (each a "Note"), specifically being an initial $4,000,000 tranche received at closing, and up to four quarterly tranches thereafter in the amount of $3,000,000 per tranche over a period of twelve months. Each Note will be issued at 95% of face value and each is redeemable at par at its maturity. Repayment of the Credit Facility is Note-specific with each Note maturing and becoming repayable by the Company after the expiration of twelve months from the date of the Note, subject to a maturity extension at the election of the Company of an additional 12 months for each such Note. All conditions precedent for the initial tranche under the Credit Facility were satisfied and the Company is in receipt of the initial tranche. The advance of the four remaining tranches are subject to the conditions of the Credit Facility, including notice by the Company, the sole discretion of Arena Investors LP and confirmation at the relevant time that no events of default under the Credit Facility have occurred and are continuing at that time. The Notes have a coupon of 10% for the first twelve months and, if maturity is extended, 15% for the second twelve months and each such coupon is payable at the time the applicable Note is repaid.

On February 15, 2018, the Company completed a non-brokered private placement of 716,302 Common Shares at a price of $0.4956 per Common Share with 286,520 warrants attached to purchase 286,520 Common Shares at a price of $0.7125 per Common Share for a 36-month period. The Common Shares and the Common Shares underlying the warrants are subject to the Exchange Hold Period. No commissions or finder's fees were paid in connection with the private placement.

On February 23, 2018, the Company announced that it has filed the technical report titled "Independent Technical Report Antofalla Lithium Project" dated February 23, 2018 with an effective date of January 3, 2018 prepared by the Company by (i) John C. Harrop, FGS, P.Geo, consulting geologist contracted by Fladgate Exploration Consulting Corporation ("**Fladgate**"); (ii) Caitlin L. Jeffs, B.Sc., P.Geo., a Partner of Fladgate; and (iii) Lesley A. Rose-Weston, M.Sc, Ph.D, P.Geo., an employee of Fladgate (the "**Technical Report**") and a copy of the Technical Report is now available on the Company's SEDAR profile.

On February 28, 2018, the Company completed a non-brokered private placement of 656,011 Common Shares at a price of $0.4192 per Common Share with 262,403 warrants attached to purchase 262,403 Common Shares at a price of $0.6427 per Common Share for a 36-month period. The Common Shares are subject to the Exchange Hold Period. No commissions or finder's fees were paid in connection with the private placement

On April 3, 2018, the Company completed a non-brokered private placement of 2,499,999 Common Shares at a price of $0.33 per Common Share with 999,998 warrants attached to purchase 999,998 Common Shares at a price of $0.4641 per Common Share for a 36-month period. The Common Shares and the Common Shares underlying the warrants are subject to the Exchange Hold Period. No commissions or finder's fees were paid in connection with the private placement.

On June 15, 2018, the Company completed a non-brokered private placement of 693,568 common shares at a price of $0.2379 per common share with 277,426 warrants attached to purchase 277,426 common shares at a price of $0.3648 per common share for a three-year period. No commissions or finder's fees were paid in connection with the private placement.

EXPLORATION PROJECT – ARGENTINA LITHIUM BRINE ASSETS

On March 22, 2017, the Company completed the Acquisitions. LEA, AN, and AS. LEA owns certain rights to to acquire eight (8) concessions representing up to 17,759 hectares ("Laguna Caro Project"); AN owns certain rights to acquire thirteen (13) concessions representing up to 41,496 hectares ("Antofalla North Project"); and AS owns certain rights to acquire eighteen (18) concessions representing up to 69,112 hectares ("Antofalla South Project"). In consideration for all of the outstanding share capital of LEA, AN, and AS, the Company issued 1,000,000, 8,450,000, and 11,550,000 common shares of the Company, respectively and finder's fees of 1,150,000 common shares issued in relation to the acquisitions. In addition, the Company assumed the respective obligations of LEA, AN, and AS in respect of the three project areas. In order to complete the acquisitions of the properties in the Laguna Caro, Antofallo North, and Antofalla South Projects, the Company will be required to complete cash payments of US$650,000, US$761,000, and US$1,267,000, respectively payable over a twelve (12) month period and the Company also reimbursed (as down payments and other expenses) a total of US$366,201.

Located in close proximity to each other, all three Projects currently represent approximately 90,000 hectares located in the lithium-prolific, northwestern quadrant of Catamarca Province. Located less than 10 km northeast of the Laguna Caro Project, FMC Corporation operates its Fenix mine at Salar de Hombre Muerto, which is Argentina's largest lithium extraction operation and one of the largest such operations in the world.

The Antofalla North and South Projects are located just west of the Laguna Caro Project, in the northern and southern portions of the Salar de Antofalla, currently covering more than 70,000 hectares. On September 12, 2016, Albemarle Corporation, the worlds largest lithium producer, announced it had entered into an agreement with Bolland Minera, S.A. for the exclusive exploration and acquisition rights to a block of lithium resources in the central portion of the Antofalla salar. In Albemarle Corporation's news release, it stated their belief that the Salar de Antofalla will be certified as the largest lithium resource in Argentina.

On March 27, 2018, the Company announced positive results from its initial geophysical surveys on each of the first three concessions studied in the northern section of its holdings in the Antofalla Salar. Interpreted brine horizons were detected throughout the entire 80 km^2 area of these concessions, inferring the possibility that lithium-bearing brine exists beneath the properties in the northern area of the Antofalla Salar. The survey results received to date indicate that conductive horizons have been detected from just below surface to as much as 400 meters in depth. The highly conductive units encountered correlate with known brine aquifers and these data allow the Company to follow these target zones under areas of thick cover. The Company has completed 44 line-kilometers ("line-km") of TEM surveys over 8 survey lines. At least 100 line-km of additional TEM surveys (12 survey lines over 14 concessions) are planned over the next 2-3 months in the northern portion of the Antofalla Salar. Brine is highly conductive; TEM surveys detect variations in subsurface conductivity – a primary method for imaging aquifers. Over other methods, TEM provides greater speed of data acquisition, great depth potential, and better resolution. Although resistivity values from TEM surveys cannot confirm the presence or grade of lithium, the survey results to date have identified highly conductive zones consistent with similar lithium-bearing brine aquifers known to exist in the region. The data processed from 5 of the first 8 lines reveals outcropping volcanic units correlated to electrical resistivities of 100 Ohm-m and low-lying areas within the salar correlated to less than 1 Ohm-m, the latter depicting an upper limit of extremely conductivity occurring at a constant elevation, a characteristic commonly observed over unconfined aquifers. Of the 5 lines processed to date by Quantec Geoscience, all appear to portray extensive zones of conductive brines, detected at depths of a few meters below surface to as much as 400m below surface. Based on comparative results with similar sedimentary salar strata where lithium-bearing brines are hosted, these data indicate a likely-continuous, buried horizon of high conductivity in this part of the Antofalla basin complex. The Company's team will utilize these results to target test well locations. With such compelling geophysical results, plans for the Company's drilling campaign will move forward to test for chemistry, lithology, porosity, pump rates, and other hydrogeological factors.

On May 24, 2018, the Company announced further positive results from its initial geophysical surveys covering an additional 120 km^2 of its concessions in the northern section of the Antofalla Salar. Measured brine densities in this salar reflect a considerable quantity of dissolved salts in these hyper-saline brines (approx. 10 times the salinity of seawater) and calculating from these known densities, these surveys denote a high probability that lithium-bearing brines underlie the entirety of the Company's northern claim cluster. Consistent with the results from the March 25, 2018 announcement, each of the additional concessions surveyed to date (another 120 km^2 consisting of five additional claims) in the Company's ongoing geophysical program has detected potential lithium-bearing brine horizons throughout the entirety of these five added concessions, starting from just below surface and extending to as much as 400 meters in depth. In total, the Company has now surveyed more than 20,000 hectares of concessions in the northern claim cluster covering a distance of approx. 60 km over an uninterrupted reservoir from the border with Salta Province in the north and traversing south to the northern boundary of Albemarle Corporation's claim block. That expanse covers about one-third of the Antofalla Salar. These surveys continue to indicate that this large, sedimentary basin is likely filled with conductive brine throughout. Further, as the initial geological expectations predicted, the surveys indicate that the basin is consistently wider than just the salt pan visually observed on surface, because the Transient Electromagnetic or "TEM" images clearly illustrate the presence of brine underneath the volcanic materials that overlay much of the basin's lateral fringes.

The Company's geophysical team, led by one of the world's leading geophysical companies, Quantec Geoscience, continues to analyze data obtained during field acquisition. All concessions surveyed to date appear to portray extensive zones of conductive brines. These data demonstrate that the conductive horizon, expected to coincide with sediments hosting lithium-bearing brine, is likely to be continuous in this northern portion of the basin. Since the entire extent of these properties appears to contain highly conductive aquifers, the potential for lithium mineralization is indicated under all of these properties. The Company's team will utilize these results to target test well locations. With such compelling geophysical results, plans for the Company's drilling campaign will move forward to test chemistry, lithology, porosity, pump rates, and other hydrogeological factors.

Although resistivity values from TEM surveys cannot confirm the presence or grade of lithium, the survey results to date have identified highly conductive zones consistent with similar lithium-bearing brine aquifers known to exist in the region. Argentina's largest lithium producer, located just 20 km to the east of the Company's northern cluster of claims, has been in continuous production for over 20 years. Further, published assay results from drilling in the same Antofalla Salar basin complex just 3 km south of the Company's southernmost properties in this northern claim cluster indicate that the brines in this basin are consistently lithium bearing. The Company expressly acknowledges that such results are not necessarily indicative of drilling results that might be obtained on its own properties; however, the Company is highly encouraged that these survey results continue to produce more positive results than originally anticipated

TERMINATION OF CHANGE OF BUSINESS

On October 10, 2014, the Company entered into a Purchase and Exchange Agreement ("PEA") with Portola Funding I LP ("Portola Funding LP").

Portola Funding LP had entered into an arm's length partnership agreement with Di-Corp Sand Transloading LP ("DST") for which Portola Funding LP was to receive an annual distribution of $675,000. DST operated frac sand transloading facilities in Grand Prairie and Rocky Mountain House, Alberta.

The purchase of the certain Units and the exchange of certain warrants were to be completed upon receipt of final TSX-V acceptance of a Change of Business announced by the Company on November 26, 2013, in conjunction with obtaining all requisite shareholder and other approvals and the completion of a private placement of common shares to fund the transactions. The obligation of the Company to complete the transactions was subject to TSXV acceptance.

On October 21, 2016, the Board of Directors of the Company agreed to terminate the previously announced Change of Business and continue as a Mining Issuer, subject to TSXV policy requirements and other approvals.

SELECTED ANNUAL INFORMATION
($000's except loss per share)

	February 28, 2018		February 28, 2017		February 29, 2016	
Revenue	$	0	$	0	$	0
Net Loss	$	(4,005)	$	(369)	$	(265)
Basic and Diluted Loss Per Share	$	(0.08)	$	(0.02)	$	(0.02)
Total Assets	$	12,952	$	1,513	$	74
Long-Term Debt	$	1,960	$	0	$	0
Dividends	$	0	$	0	$	0

OPERATIONS

Three-month period ended February 28, 2018

During the three months ended February 28, 2018 the Company reported a net loss of $2,550,252 (2017 - $188,658). Included in the determination of operating loss was $10,560 (2017 - $NIL) spent on rent, $15,000 (2017 - $5,850) spent on management fees, $330,587 (2017 - $30,347) recorded for professional fees, $54,741 (2017 - $101,250) spent on consulting fees, $11,566 (2017 - $16,737) spent on transfer agent and filing fees, $84,157 (2017 - $13,842) spent on office and administration, $95,984 (2017 - $NIL) spent on payroll, $339,511 (2017 – $13,981) spent on marketing and promotion, $72,933 (2017 – 32,209) spent on travel and entertainment, $288,293 (2017 - $NIL) recorded for share based compensation, $969,262 (2017 - $NIL) recorded for finance fees. The increased loss as compared to the same quarter in fiscal 2017 was primarily due to increased business activities related to the acquisition of the Argentina lithium brine assets acquired in the first quarter of fiscal 2018 and the finance fees on the note payable to Arena recorded in the fourth quarter of fiscal 2018.

Year ended February 28, 2018

During the year ended February 28, 2018 the Company reported a net loss of $4,005,144 (2017 - $368,680). Included in the determination of operating loss was $15,086 (2017 - $4,526) spent on rent, $60,000 (2017 - $50,850) on management fees, $407,354 (2017 - $62,731) on professional fees, $24,134 (2017 - $45,288) on transfer agent and filing fees, $58,569 (2017 - $135,000) on consulting, $169,803 (2017 - $26,167) on travel and entertainment, $561,205 (2017 - $13,981) on marketing and promotion, $156,442 (2017 - $14,853) on exploration and evaluation costs, $770,474 (2017 - $NIL) recorded for share-based compensation, $388,333 (2017 - $NIL) spent on payroll and $213,461 (2017 - $15,284) spent on office and administration and $969,262 (2017 - $NIL) recorded for finance fees on note payable. The increased loss incurred in the current fiscal year ended February 28, 2018 was primarily due to increased business activities related to the acquisition of the Argentina lithium brine assets acquired in the first quarter of fiscal 2018 and the finance fees on the note payable to Arena recognized in the fourth quarter of fiscal 2018.

Year ended February 28, 2017

During the year ended February 28, 2017 the Company reported a net loss of $368,680 (2016 - $264,928). Included in the determination of operating loss was $4,526 (2016 - $24,236) spent on rent, $50,850 (2016 - $151,261) on management fees, $62,731 (2016 - $24,644) on professional fees, $45,288 (2016 - $11,118) on transfer agent and filing fees, $135,000 (2016 - $NIL) on consulting, $26,167 (2016 - $16,685) on travel and entertainment, $13,981 (2016 - $1,768) on marketing and promotion, $14,853 (2016 - $NIL) on property investigation costs and $15,284 (2016 - $5,770) spent on office and administration. The increased expenses incurred in the fiscal year ended February 28, 2017 were primarily due to increased business activities related to the sourcing of the Argentina lithium brine assets acquired subsequent to year end and the closing of the equity financing completed during the current fiscal year.

Year ended February 29, 2016

During the year ended February 29, 2016 the Company reported a net loss of $264,928 (2015 - $255,911). Included in the determination of operating loss was $24,236 (2015 - $23,857) spent on rent, $151,261 (2015 - $165,012) on management and administration, $24,644 (2015 - $23,977) on professional fees, $11,118 (2015 -

$11,521) on transfer agent and filing fees, $NIL (2015 - $1,164) on investor communications, $16,685 (2015 - $23,935) on travel, $1,768 (2015 - $NIL) on marketing and $5,770 (2015 - $6,465) on office and miscellaneous.

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

Year Ended	Quarter	Net Comprehensive Income (Loss) (in 000's)	Net Income (Loss) per Share (basic and fully diluted)
2016	Q1	($59)	($0.00)
2016	Q2	($52)	($0.00)
2016	Q3	($75)	($0.01)
2016	Q4	($79)	($0.01)
2017	Q1	($5)	($0.00)
2017	Q2	($3)	($0.00)
2017	Q3	($172)	($0.01)
2017	Q4	($189)	($0.01)
2018	Q1	($444)	($0.01)
2018	Q2	($324)	($0.01)
2018	Q3	($686)	($0.01)
2018	Q4	($2,550)	($0.04)

2018 – Q4	Increase in net loss during the quarter is primarily the result of the finance fees on note payable recorded in the current quarter
2018 – Q3	Increase in net loss during the quarter is primarily the result of an increase in stock based compensation expense and decrease in foreign exchange gain as compared to the prior quarter
2018 – Q2	Net loss is consistent with the prior quarter
2018 – Q1	Net loss for the current quarter increased due to increased activity resulting from the acquisition of the Argentina lithium brine properties during the quarter
2017 – Q4	Net loss is consistent with the prior quarter.
2017 – Q3	Increase in net loss over prior quarter due increased activity prior to acquisition of Argentina lithium brine properties.
2017 – Q2	Consistent with prior quarter
2017 – Q1	Consistent with prior quarter

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at February 28, 2018 were $2,889,921 compared to $1,513,083 at February 28, 2017. The Company plans to continue to fund its operations through equity financings there are no guarantees that the Company can do so in the future. As at February 28, 2018, the Company had negative working capital of $2,165,343 as compared to working capital of $1,461,823 at February 28, 2017. Included in the 2018 negative working capital is the Note Payable for $4,070,000. The term of the Note Payable can be extended a further twelve (12) months at the option of the Company (see Note 8 of February 28, 2018 restated audited financial statements).

MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to identify and invest in other businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at February 28, 2018, the Company considers capital to be all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

There were no changes in the Company's approach to management of capital during the year.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

The remuneration of the Company's directors and other key management:

	February 28, 2018	February 28, 2017
Management fees	$ 60,000	$ 50,850
Consulting	58,569	-
	$ 118,569	$ 50,850

Under the terms of a month to month consulting agreement, the Company incurred expenses of $734,250 to a Company controlled by the CEO of the Company for expense reimbursements and for providing management, operations support and office and administration services to the Company.

Included in Debt are property payment obligations as at February 28, 2018 of $2,271,778 (2017 - $ nil) owing to companies controlled by officers of the Company.

COMMITMENTS

The Company does not have any undisclosed commitments.

SUBSEQUENT EVENTS

The Company does not have any undisclosed subsequent events.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are described in Note 2 of the Company's audited financial statements for the year ended February 28, 2018.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2018, or later periods.

IFRS 9, *Financial Instruments*, addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The adoption of this standard on January 1, 2018 is not expected to have a significant impact on the Company's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers, provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

i. Identify the contract with the customer
ii. Identify the performance obligations in the contract

iii. Determine the transaction price
iv. Allocate the transaction price to the performance obligations in the contracts
v. Recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The adoption of this standard on January 1, 2018 is not expected to have a significant impact on the Company's consolidated financial statements.

IFRS 16, *Leases*, specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 is effective for years beginning after January 1, 2019. The Company does not anticipate the adoption of this standard to have a significant impact on the Company's consolidated financial statements.

SHARE CAPITAL

Issued

The Company has 63,083,150 common shares issued and outstanding as at February 28, 2018 and 66,276,790 as at November 5, 2018.

Share Purchase Options

The Company has 2,900,000 stock options outstanding at February 28, 2018 and 4,550,000 as at November 5, 2018.

Warrants

The Company has 801,130 warrants outstanding at February 28, 2018 and 2,078,554 as at November 5, 2018.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Financial risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and advances receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions and advancing funds to parties that management believes will make the necessary repayments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 12.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

	<1 year	1 - 3 Years	Total
Accounts payable	$ 494,212	$ -	$ 494,212
Note payable	$4,070,000	$ -	$ 4,070,000
Debt	$1,106,053	$ 1,959,884	$ 3,065,937

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As at February 28, 2018, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign source currencies, converted to Canadian Dollars at the prevailing rate at the end of the reporting period.

	February 28, 2018			
	CAD equivalent	Currency	+/- 10% Fluctuation Increase / (Decrease)	
Cash	25,708	ARS	2,571	(2,571)
Cash	58,123	USD	5,812	(5,812)
Accounts Payable	(346,567)	USD	(34,657)	34,657
Debt	(2,393,577)	USD	(239,358)	239,358
Total	(2,656,313)		(265,632)	265,632

Interest rate risk

The Company is not exposed to significant interest rate risk.

Fair Value Measurements

The Company's financial instruments consist of cash, receivables, accounts payable, note payable and debt. The fair values of these financial instruments approximate their carrying values because of their current nature or they have been measured using market based assumptions.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market date.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as of February 28, 2018 is as follows:

		Level 1		Level 2		Level 3		Total
Cash	$	2,889,921	$	-	$	-	$	2,889,921

Liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as of February 28, 2018 is as follows:

		Level 1		Level 2		Level 3		Total
Accounts payable	$	494,212	$	-	$	-	$	494,212
Debt		3,065,937		-		-		3,065,937
Note payable		-		4,070,000		-		4,070,000
	$	3,560,149	$	4,070,000	$	-	$	7,630,149

The fair value of the Note payable was determined based on the fair value of units that would be issuable on conversion. The issue price of these units was determined to represent fair value as the Company has issued identical units to third parties for cash.

RISK AND UNCERTAINTIES

Risks inherent in the nature of mineral exploration and development

Exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any mineral deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation. Numerous external factors influence and may have significant impacts on the operations of the Company and its financing needs.

Financial risks

The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Claims and title risks

Although the Company has taken steps to verify title and prosecute the perfection of title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Tax

No assurance can be made that Canada Revenue Agency or Quebec Minister of Revenue will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

Dependence on key personnel

The development of the Company’s business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Conflicts of interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view towards upholding the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company or any project or opportunity that could be competitive with the Company. If a conflict arises at a meeting of the Board of Directors, any Director in a conflict will disclose his interest and abstain from voting on such matter.

Environmental risks

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

(*signed*)
Jeffrey Cocks, Director

(*signed*)
Chris Hobbs, Director

November 5, 2018