ARCPACIFIC RESOURCES CORP.

Management Discussion and Analysis
For the three months ended April 30, 2018

The Management Discussion and Analysis ("MD&A"), prepared June 27, 2018 should be read in conjunction with the unaudited condensed interim financial statements and notes thereto for the three months ended April 30, 2018 and 2017, of ArcPacific Resources Corp. ("ArcPacific"), which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars, unless otherwise noted.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

ArcPacific Resources Corp. ("the Company") was incorporated pursuant to the British Columbia Business Corporations Act on February 1, 2011 as Guiana Shield Goldfields Inc. The Company changed its name to ArcPacific Resources Corp. on December 21, 2016 and completed a share consolidation of the common shares on the basis of two pre-consolidation shares for one post-consolidation share. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol "ACP". The address of the Company's corporate office and its principal place of business is 1001-1166 Alberni Street, Vancouver, British Columbia, Canada V6E 3Z3.

The principal business of the Company is the identification, evaluation and acquisition of mineral properties in Canada. At April 30, 2018, the Company owned a 100% interest in the Lucky Mike Mineral property. The Company has not yet determined whether the Lucky Mike property may contain a mineral resource that may eventually be economically recoverable. The economic viability of the property will depend on the establishment of an ore reserve, the confirmation of the Company's interest in the mineral claims and the ability of the Company to obtain the necessary financing to complete its development and place it into commercial production.

EXPLORATION AND EVALUATION ASSETS

Lucky Mike Mineral Project, British Columbia

On July 20, 2011, the Company entered into an Option Agreement (the “Lucky Mike Agreement”) with a non-related third party (the “Optionor”). The Lucky Mike Agreement was amended on September 13, 2012 and subsequently amended on November 14, 2013. The Company was granted an exclusive option to acquire a 100% interest in certain mineral claims located in the Nicola Mining Division, British Columbia. The claims consist of 29 contiguous mineral claims comprising 6,085.74 hectares. The option has been exercised by the Company by paying $55,000 in cash, issuing 33,333 common shares valued at $30,000 to the Optionor and incurring $900,000 in exploration work in accordance with the following schedule:

Date	Cash Payment $	Number of Common Shares	Minimum Exploration Expenditures to be Incurred $
Upon execution of the Lucky Mike Agreement (paid)	10,000	–	–
On or before December 31, 2012 (incurred)	–	–	100,000
On or before September 20, 2014 (paid, issued and incurred)	15,000	16,666	200,000
On or before September 20, 2015 (paid and incurred)	15,000	–	300,000
On or before September 20, 2016 (paid, issued and incurred)	15,000	16,667	300,000
TOTAL	55,000	33,333	900,000

In accordance with the terms of the Lucky Mike Agreement, the Optionor will retain a 2% net smelter returns royalty (the “NSR”) in respect of the property. The Company has the option to purchase the NSR for $1,000,000 at any time during a five-year period commencing from the date of commercial production. Pursuant to the Lucky Mike Amendment Agreement on November 14, 2013, the Company was required to issue to the Optionor 16,666 common shares as follows:

(a) On or before the 5th day following receipt by the Optionee of regulatory approval, 8,333 shares (issued); and

(b) On or before March 20, 2014, 8,333 shares (issued).

On September 24, 2014, the Company entered into an Agreement (the "Farm Out Agreement") with two Korean-registered companies, namely, Nexgeo Inc. (“Nexgeo”) and Korea Resources Corporation (“Kores”), whereby both companies (the "Consortium") would jointly contribute expenditures in the exploration of the Lucky Mike property thereby earning for the Consortium the right to acquire a 69% interest in the Lucky Mike project (the "Project") under the following terms:

a. An aggregate of $500,000 (the "First Exploration Contribution") to fund an initial work program for the Project, which has been approved by the Consortium. The Consortium must pay $250,000 to the Company no later than September 5, 2014 (received) and $100,000 to the Company no later than September 30, 2014 (received). The balance of $150,000 (received) must be paid upon completion of drilling at the Project site pursuant to an initial work program;

b. An additional $1,104,824 (the "Second Exploration Contribution") (received) to fund at least one work program for the Project approved by the Consortium, which must be undertaken and completed by the Company during the period from January 1, 2015 to December 31, 2015; and,

c. An additional $800,000 (the "Third Exploration Contribution") (received) to fund at least one work program for the Project approved by Consortium, which must be undertaken and completed by the Company during the period from January 1, 2016 to December 31, 2016.

Upon completion of the work program under the Third Exploration Contribution, the Company would transfer to the Consortium a 69% interest in the Project.

The Consortium has the right at any time to exercise an Off-Ramp Option during the term of the Farm Out Agreement and/or within thirty (30) days after receiving an official technical report on the most recently completed work program during the period from January 1, 2016 to December 31, 2016, at its own discretion by giving thirty (30) days written notice to the Company, and upon exercise of the Off-Ramp Option, this Farm Out Agreement and all rights and obligations of the parties under the agreement shall terminate ("Off-Ramp Option").

If, after making the Third Exploration Contribution, the Consortium exercises the Off-Ramp Option then this Farm Out Agreement and the Consortium will be deemed to have renounced all its rights or interest in the Project and will have no right to acquire any portion of any interest in the Project and will have no further obligations or liabilities to the Company.

Upon the Consortium acquiring 69% interest in the Project, this Farm Out Agreement will terminate and the parties will form a joint venture (the "Joint Venture") for the purpose of carrying out all such acts which are necessary or appropriate, directly or indirectly, to hold the Project, explore the Project for minerals, and if feasible develop a mine thereon, and so long as it is feasible, operate such mine and exploit the minerals extracted from the Project.

The 2016 drilling concluded a three-year-phased drill program under the terms of a joint exploration agreement (the "Definitive Agreement") entered into in September 23, 2014 between ArcPacific and a Korean Consortium comprised of Korea Resources Corp. and Nexgeo Inc. In the agreement, ArcPacific granted the Consortium the right to acquire up to an undivided 70% interest in the Lucky Mike project subject to exploration expenditures contributed over a three-year period as detailed in the news release of September 24, 2014. In June 14, 2016, the Definitive Agreement was amended whereby expenditures committed for the 2016 drilling program was reduced to the effect that the Consortium's interest was correspondingly reduced to an undivided 69%. The total expenditure made by the Consortium to the three- year drill program on the Lucky Mike prospect amounted to CAD$2,404,823.95.

On August 4, 2017, the Company executed a deed of release and amendment on the Farm Out Agreement with the Consortium to release Nexgeo from the joint exploration agreement and to transfer its 13% interest in the Lucky Mike project to the Company in consideration of shares of the Company. On February 22, 2018, the Company acquired Nexgeo's 13% interest in the Lucky Mike Project by issuing 774,583 common shares of the Company with fair value of $42,602. The Company's ownership of the Lucky Mike property increased from 31% to 44%. Meanwhile and by mutual consent, KORES defers by one year the execution of this amendment and of its rights to acquire a 56% interest in the project.

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

	$
Acquisition costs:	
Balance, January 31, 2016	55,767
Cash paid for acquisition costs	15,000
Shares issued for acquisition costs	2,500
Balance, January 31, 2017 and 2018	73,267
Shares issued for acquisition costs	42,602
Balance, April 30, 2018	115,869
Deferred exploration expenditures:	
Balance, January 31, 2016	60,581
Exploration costs	738,682
Recoveries from Consortium	(764,238)
Recoveries on costs	(50,000)
Mineral exploration tax credit	(66,831)
Balance, January 31, 2017 and 2018 and April 30, 2018	(81,806)
Recovery of exploration and evaluation costs	8,539
Total costs, January 31, 2017 and 2018	-
Total costs, April 30, 2018	42,602

Cardium Petroleum and Natural Gas Project, Alberta

On December 1, 2015, the Company entered into an agreement to sell its working interest in the Cardium petroleum and natural gas project to an unrelated party for the cash consideration of $125,000 ("the Agreement"). As of January 31, 2016, the Company had received $105,000 and recorded the remaining portion of $20,000 as amounts receivable. During the year ended January 31, 2017, the Company received the remaining $20,000.

Prior to the sale, the Company had received incidental revenue from the operator of $31,973. The Company incurred direct costs, and issued 125,000 common shares with fair values of $12,500 as a finder's fee for a total cost of $12,866. Pursuant to the Agreement, the purchaser assumed the decommissioning liability of $45,379. As a result of the sale, the Company recognized a gain of $11,906 during the year ended January 31, 2016.

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

		January 31, 2018		January 31, 2017		January 31, 2016
Revenue	$	0	$	0	$	0
Net Loss	$	(163)	$	(38)	$	(442)
Basic and Diluted Loss Per Share	$	(0.02)	$	(0.01)	$	(0.06)
Total Assets	$	41	$	119	$	233
Long-Term Debt	$	0	$	0	$	0
Dividends	$	0	$	0	$	0

OPERATIONS

Three month period ended April 30, 2018
During the three months ended April 30, 2018, the Company reported a net loss of $33,272 (2017 – $21,587). Included in the determination of operating loss was $3,000 (2017 – $Nil) on management fees, $8,309 (2017 – $500) on professional fees, $12,000 (2017 – $12,000) on consulting fees, $7,138 (2017 – $6,702) on transfer agent and filing fees, and $2,825 (2017 – $2,451) on office and miscellaneous. Overall, expenses increased during the current period as a result of the increase in the Company's activities during the current period.

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

	April 30, 2018 $	January 31, 2018 $	October 31, 2017 $	July 31, 2017 $
Revenue	0	0	0	0
Net loss	(33)	(46)	(21)	(74)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.01)

	April 30, 2017 $	January 31, 2017 $	October 31, 2016 $	July 31, 2016 $
Revenue	0	0	0	0
Net income (loss)	(22)	(45)	202	(106)
Basic and diluted income (loss) per	(0.00)	(0.01)	0.03	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at April 30, 2018 was $22,912 compared to $31,662 at January 31, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The following is a summary of balances and transactions with the Chief Executive Officer ("CEO") and a company with a common director of the Company:

	April 30, 2018 $	January 31, 2018 $
Amounts included in accounts payable	19,600	16,600

In addition to the amount above, the Company had an account payable of $6,900 (January 31, 2018 – $6,900) due to a company controlled by a former director of the Company.

The amounts due to directors or to companies they control are non-interest bearing, unsecured and due on demand.

The following is a summary of transactions with an officer of the Company:

	2018 $	2017 $
Management fees	3,000	-

Key management includes directors and key officers of the Company, including President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel during the periods ended April 30, 2018 and 2017 is summarized below:

	2018 $	2017 $
Key management compensation		
Management fees	3,000	-

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims as discussed under the Exploration Project section.

SUBSEQUENT EVENTS

No subsequent events.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a) Recent accounting pronouncements

The following accounting policies adopted by the Company effective February 1, 2018:

IFRS 2 'Share-based payments' – In June 2016, the IASB issued the final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

IFRS 9, 'Financial Instruments' – This standard address 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 is not expected to have a material impact on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' – In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

b) New Accounting Standards and Amendments Issued But Not Yet Effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

The following standard will be adopted by the Company effective February 1, 2019:

IFRS 16 'Leases' - IFRS 16 will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

CRITICAL ACCOUNTING POLICIES

Share-based payments

The Company has an equity-settled share-based compensation plan. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded- vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Change in accounting policies – Financial instruments

The Company has adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification IAS 39**	**New classification IFRS 9**
Cash and cash equivalents	Amortized cost	Amortized cost
Amounts receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost

(ii) Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of net income (loss). Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net income (loss) in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net income (loss).

SHARE CAPITAL

Issued

The Company has 8,370,154 shares issued and outstanding as at April 30, 2018 and as at June 27, 2018.

Share Purchase Options

The Company has 350,000 stock options outstanding at April 30, 2018 and at June 27, 2018.

Warrants

The Company had Nil share purchase warrants outstanding at April 30, 2018 and at June 27, 2018.

Escrow Shares

The Company has Nil shares held in escrow as at April 30, 2018 and at June 27, 2018.