Cavenham Gold Corporation

Management's Discussion and Analysis of Results of
Operations and Financial Condition of Cavenham Gold Corporation
For the three month period ended December 31, 2018 and 2017
(Expressed In Canadian Dollars)

Introduction

This management's discussion and analysis ("MD&A") has been prepared as of March 12, 2019 and should be read in conjunction with the audited financial statements of Cavenham Gold Corporation ("Cavenham" or "the Company") for the year ended September 30, 2018. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

Overview

The Company was incorporated under the *Business Corporations Act* of British Columbia on September 27, 2017. The company is in the business of exploring mineral properties and has not yet generated revenues from operations, accordingly, the Company is considered to be an enterprise in the exploration stage.

Mineral Property

The Company entered into a Property Option Agreement dated August 21, 2017 whereby the Company had the right to acquire 100% right, title and interest in the Augustinas Property consisting of five claims covering 700 hectares in Region IV, Chile.

The commitments are as follows:

- Pay $75,000 on or before September 30, 2018 and issue 500,000 shares (paid)
- Pay $150,000 on or before March 31, 2020 and issue 500,000 shares ($32,500 paid)
- Pay $325,000 on or before August 30, 2020 and issue 750,000 shares

There are no further obligations in regards to the above Property other than those stated above.

Overall Performance

- Upon incorporation, 1 common share was issued at $0.01.
- 4,000,000 common shares were issued at $0.005 on August 1, 2018 for gross proceeds of $20,000.
- 7,215,000 common shares were issued at $0.02 on September 1, 2018, for gross proceeds of $144,300. $41,500 is still outstanding and was received subsequent to September 30, 2018.
- 4,856,840 common shares were issued at $0.05 on September 12, 2018, for gross proceeds of $242,842.
- By way of private placement, the Company issued 1,007,500 common shares at $0.02 for gross proceeds of $20,150 to a related party, which were revalued $0.05 per share and the Company recognized a contributed surplus of $30,225.

Selected Annual Information

The following table provides selected annual financial information for the Company for the most recently completed financial year:

	Audited for the year ended September 30, 2018
Total Revenue	Nil
Total Profit (Loss)	$(298,034)
Basic and Diluted Profit (Loss) per Share	$(0.02)
Total Assets	$153,398
Total Non-Current Financial Liabilities	Nil
Distributions or Cash Dividends Per Share	Nil

Summary of Quarterly Results

The total loss of $23,445 for the December 31, 2018 quarter end was due to general admin costs such as office rental, transfer agent and consulting fees paid. This loss for the 3 months ended September 30, 2018 was $58,375. The difference is due to increased legal, audit, and accounting fees in relation to the Company's anticipated public listing accrued for, and paid during the September period.

Liquidity

Since incorporation, the Company's capital resources have been limited. The Company has had to rely upon the sale of equity securities for the cash required for property acquisition payments, office and miscellaneous expenses and professional fees, among other expenses.

Once the Company is operational, it will require further working capital in order to increase its growth rate and may seek to raise additional funds via one or more private placements.

Capital Resources

The Company will continue to require funds for exploration work on the Property, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over either the near or long term or none are presently contemplated other than as disclosed above and/or over normal operating requirements.

The Company's ongoing legal, accounting, auditing, stock exchange, administration, regulatory, rent, telephone, internet, travel, consulting, transfer, filing fees and office expenses are estimated to cost about $79,100 during the first year after the listing of the Company's shares (about $6,600 per month).

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Transactions with Related Parties

Key Management includes personnel having the authority and responsibility for planning, directing and controlling the Company and includes the directors and executive officers.

The amounts due to related parties included in accounts payable and accrued liabilities in the amount of $12,588, are unsecured, payable on demand, and without interest.

During the three months ended December 31, 2018, the following amounts were paid to related parties:

- Professional fees of $3,840 (2017: $60,250) were paid to a director and a family member of a director.
- Rent of $8,428 (2017: $39,000) was paid to a Company controlled by a director.

All related party balances are non-interest bearing, unsecured and have no fixed terms of repayment and have been classified as current.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses The Company's recoverability of the recorded value of its mineral property costs is dependent upon many factors beyond the

Company's control. The Company is engaged in an industry that is dependent on a number of conditions including property tenure, environmental and permitting risks, legal and political risks and the Company's ability to obtain necessary financing to maintain, explore and develop its mineral properties.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities and expenses. Some of these estimates require judgment about matters that are inherently uncertain. Note 3 to the audited financial statements for the year ended September 30, 2018 includes a summary of the significant accounting policies adopted by the Company. The following policy is considered to be the critical accounting policies as they involve the use of significant estimates.

Financial Instruments

The Company's financial instruments include accounts payable and accrued liabilities and due to related party. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices), and
Level 3 - Inputs that are not based on observable market data

Risk management overview

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

a) Credit risk

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

As of December 31, 2018, there are no financial instrument that are subject to a significant concentration of credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they are due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

At December 31, 2018 the Company had cash of $6,475 and accounts payable and accrued liabilities of $31,613 and due to related party of $12,588. All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 2018.

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. As at December 31, 2018, the Company is not exposed to any significant interest rate risk, currency risk or other price risk on its financial assets and liabilities

Industry Trends & Risk Factors

The Company operates within the context of the exploration, development and mining industry. This industry involves substantial risk and is considered a highly cyclical industry. The Company's current focus is primarily on the exploration of prospective gold and base metals properties and the development of such properties to a feasibility or pre-feasibility phase, and is therefore highly dependent on the raising of risk or venture capital by way of equity issuances to fund exploration activities. Complex factors and competitive forces including commodity trends, inflation, interest rates, supply and demand of metals and minerals, as well as economic cycles and their respective expansion or contraction periods influence the business of the Issuer. Furthermore, the Industry is especially dependant on the price of precious and base metals in the global commodities market. Strong precious and base metals prices make it substantially easier for the Issuer to raise funds by way of equity in the capital markets.

During the past financial year the price of gold and copper has been weak. If this weakening commodity trend continues, the Company anticipates that it will have difficulty funding all of the exploration and development activities over the foreseeable future.

Outstanding Share Data at December 31, 2018 and March 12, 2019:

a) Authorized Capital – unlimited common shares without par value

b) Issued and Outstanding Capital: 17,079,341

Outlook

Financing efforts will be continued for the near future.

International Financial Reporting Standards

The financial statements have been prepared in accordance with International Accounting Standard ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting.

The financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

Forward-Looking Information

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional, important factors, if any, are identified here.