This Management Discussion and Analysis ("MD&A") of Asante Gold Corporation, ("Asante" or the "Company" or the "Issuer") provides an analysis of the Company's performance and financial condition for the year ended January 31, 2018. It is prepared as at May 28, 2018 and was approved by the Board of Directors on that date.

This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended January 31, 2018 including the related note disclosures. The Company's audited annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following discussion and analysis are quoted in the presentation currency of Canadian dollars unless otherwise specified. Additional information relevant to the Company's activities can be found on SEDAR at ***www.sedar.com*** *or the Company's website at* ***www.asantegold.com***

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance, and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should be read in conjunction with the annual consolidated financial statements for the year ended January 31, 2018 and related notes thereto. The audited annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards. All currency amounts are expressed in Canadian dollars unless otherwise stated.

Principal Business and Corporate History

Asante Gold Corporation is a mineral exploration company primarily involved in the acquisition and assessment of mineral properties in the Republic of Ghana. The Company's objective is to undertake mineral exploration on properties assessed to be of merit and to define mineral resources. Precious metals are targeted with a focus on gold and gold royalties. On May 28, 2015 the Company obtained a listing on the Canadian Securities Exchange and commenced trading under the symbol "ASE".

The Company entered into a Purchase Agreement with Goknet Mining Company Limited ("Goknet"), a Company with a common director, of Accra, Ghana, on June 15, 2011 to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana. The Company acquired a 100% interest in the Fahiakoba Concession by paying Goknet the sum of US$51,976 (C$50,630) and by agreeing to expend US$1,000,000 over a five year period, which commitments have been met in full. The Company also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession. The Company has applied to have the concession title transferred to ASG Mining Ltd., the Company's 100% owned Ghana subsidiary.

The Company entered into a definitive Option Agreement between the Company, Goknet Mining Company Limited ("Goknet"), Kubi Gold (Barbados) Limited ("Kubi") and Asante Gold Corporation (GH) Limited effective February 28, 2015, to earn a 50% interest in the Kubi Gold Project with the right to increase such interest to 75% and ultimately 100% upon completion of certain conditions.

On August 9, 2016 the Company announced that it had reached agreement with Goknet to close the acquisition of the Kubi Mining Lease, subject to receipt of governmental approvals, by issuing seven million shares and reserving for future delivery to Goknet a total of 8,000 ounces of gold, and thereafter reserving for Goknet a 1% to 2% Net Smelter Return Royalty (the "Kubi NSR"). This agreement was formalized in a Mineral Assets Purchase and Sale Agreement between the Company and Goknet effective December 28, 2016. Royal Gold Inc. of Denver holds a 3% Net Proceeds of Production royalty, and the Ghana Government a statutory 10% free carry equity and 5% NSR royalty interest. Asante plans to further explore and if warranted develop Kubi as a custom milling and direct shipping underground operation. Goknet and the Company are related by one common director. The acquisition was negotiated and approved by a Special Committee of the Directors of Asante.

In addition the Company may acquire Goknet's interests in eight prospecting licences: two totaling 38 sq km adjoining to the west of the Kubi Mining Lease, and six contiguous licences (the "Ashanti II concessions) totaling ~270 sq km located on the Asankrangwa Gold Belt 15 km to the south west and along the strike of the Asanko mine. To purchase the licences the Company will issue up to a maximum of three million treasury shares, pro rata on a license by license basis if as and when title is registered in the name of the Company. Goknet will retain a 2% Net Smelter Return royalty on each license purchased by the Company. Disinterested shareholder approval for the Ashanti II and the Kubi Mining Lease transactions was obtained at the Annual General Meeting of Shareholders held on December 28, 2016.

On October 17, 2016, the Company announced that it entered into an agreement with BXC Company (Ghana) Limited ("BXC") to form the Kubi Gold JV, a 50:50 joint venture to develop the Kubi Mining Leases in Ghana towards production. On May 12, 2017 the Company announced that due to delays in closing, the parties had agreed to allow the agreement to expire. The Company is continuing to source other Joint Venture partners or funding to develop Kubi.

On September 8, 2016, the Company announced that it had entered into an agreement with Sikasante Mining Company Limited ("Sikasante"), a private Ghana corporation, to earn up to a 100% interest in their Keyhole Gold Project in Ghana, which consists of the Sraha and Ayiem licences.The Company has agreed (pending) to issue to Sikasante 250,000 shares in its capital stock on final issuance of the Ayiem license to Sikasante and receipt by Sikasante of all necessary permits required to commence a drilling program (done), and to complete $500,000 in work (completed) over four years in order to earn 50%. The Company may earn an additional 50% interest by reserving for Sikasante a 2% net smelter returns royalty (the "Sika NSR Royalty"), and on the assignment of the Sikasante licenses to the Company (subject to the consent of the Minister of Lands and Natural Resources) a final payment of one million shares in the capital stock of the Company. Sikasante and the Company are related by one common director. All negotiations and final terms of agreement have been approved by a Special Committee of the Directors of the Company.

On August 4, 2015 the Company announced that it has entered into an Option and Sale Agreement with Perseus Mining (Ghana) Limited ("Perseus") to acquire up to a 100% interest in a part of their Dunkwa prospecting license, to be called on issuance the Betenase prospecting license. The permit adjoins to the east of the Kubi Gold Mining Lease.

The Company may exercise the option to earn 100% interest in Betenase (subject to 10% dividend right reserved for the Government of Ghana, and 1% underlying NSR royalties) by completing US$1million in exploration within four years (which period has yet to commence) and by paying US$1million to Perseus. The Company amended its agreement on May 15, 2018.

Investors are cautioned that final acquisition of Fahiakoba, the Kubi Mining Lease, the Ashanti II concessions, the Betenase prospecting license and the Keyhole options are dependent on additional financing, governmental renewals, approvals and consents, which though reasonably expected, may or may not be ultimately completed or obtained.

Key Activities

The Company is currently focused on sourcing financing to further develop the Kubi Mining Lease and move Kubi towards production, and on exploration at Keyhole and its other Ghanaian holdings.

The Company is continuing to evaluate potential toll milling opportunities in Ghana, as well as sourcing additional management and production expertise.

Capital Stock and Financing

On February 18, 2016 the Company closed a private placement of 533,000 shares at a price of $0.10 per share and raised $53,300.

On March 3, 2016 the Company issued 10,967,000 shares which were valued at $0.05 per common share in settlement of debt totalling CAD$854,019 and US$180,275.

On April 28, 2016 the Company issued 1,000,000 units and on May 6, 2016 a further 600,000 units all at a price of $0.10 per unit. Each unit comprises one common share and one transferable share purchase warrant, exercisable for a period of two years at a price of $0.25 per share.

On October 19, 2016, pursuant to the initial closing of a private placement, the Company issued 2,125,311 units at a price of $0.18. Each unit comprises one common share and one half warrant. Each full warrant is exercisable at a price of $0.25 until October 20, 2018. In connection with the placement, the Company paid broker fees of $17,670 and issued 98,166 broker warrants exercisable at $0.25 until October 20, 2018.

On January 16, 2017, pursuant to the second tranche of the above noted private placement, the Company issued 930,277 units at a price of $0.18. Each unit comprises one common share and one half warrant. Each full warrant is exercisable at a price of $0.25 until January 16, 2019. In connection with the placement, the Company paid broker fees of $5,249 and issued 32,160 broker warrants exercisable at $0.25 until January 16, 2019.

On February 17, 2017, pursuant to the third and final tranche of the above noted private placement, the Company issued 3,888,889 units at a price of $0.18. Each unit comprises one common share and one half warrant. Each full warrant is exercisable at a price of $0.25 until February 17, 2019.

On May 31, 2017 the Company completed a non-brokered private placement of 4,350,000 units of the Company at $0.10 per unit for aggregate gross proceeds of $435,000. Each Unit consists of one common share of the Company and one full transferrable Common Share purchase warrant. Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.15 for twelve months from the closing date of the private placement.

On December 12, 2017 the Company closed a shares for debt private placement converting $956,474 of debt into 9,564,744 common shares and 603,977 common share purchase warrants (the 'Warrants'), to suppliers, employees, consultants and creditors of the Company, including some insiders. Warrants were issued only to arms-length creditors and are each exercisable into one common share at a price of $0.15 for a two year term. The common shares issued are subject to a four month plus one day hold period.

Overall Performance

The Company has no operational revenue, and exploration activity is subject to the availability of funds raised through financings. Global financial and commodity markets have been volatile, and the Company is thus impacted by these generic industry factors which are beyond its control. The Company anticipates obtaining additional financing in the future primarily through debt, equity or joint venture based financing.

The Company has completed its initial exploration program on the Fahiakoba Concession, consisting of 4,987.5 metres of diamond drilling, ground VLF-EM geophysics and 1,200 auger drill holes. Results are considered sufficiently encouraging that further work is planned, subject to the raising of additional capital.

The Company has also completed a program of ground geophysics at Betenase, covering the strong gold in soil anomaly previously outlined by Perseus, and has completed four diamond drill holes for a total of 562 metres. Significant results to 4m @ 3.14 g/t gold and widespread alteration and quartz veining were noted in the drilling. Further ground geophysics IP and a Phase II drilling program has been planned, subject to availability of funding.

Preliminary exploration has also been completed on the Keyhole Project optioned from Sikasante. On April 14, 2017 the Company announced the completion of a maiden 1,151 metre drill program in 12 holes, following up on ground geophysical survey results. Drillhole MEM17-001B was spotted to test directly under the old MEM shaft area and intersected 13.12g/t gold over 3.0m at a down hole depth of 139m. The intersection was vertically ~120m below the MEM shaft in a graphitic shear zone hosted in meta-greywacke/argillite, with quartz-sulfide mineralization and with minor visible gold noted. Drillhole MEM17-002 was drilled 85m to the southwest of the MEM shaft, and intersected two shear zones grading 3.43g/t over 3.0m and 3.46g/t over 1.5m at down hole depths of 64.5 and 75.0m respectively. Drillhole MEM17-010B tested the structure 60m to the northeast of the MEM shaft intersecting a narrow shear zone that graded 2.0g/t gold over 0.3m.

Channel sampling results were also reported from trench MEM17-529 located 110m to the northeast along the inferred strike of the mineralization in drillhole 001B, with significant assay result of 10.23 g/t Au over 2.0m in vertical dipping meta-sediments with 10-15 % quartz vein material; and 1.62 g/t Au over 1.0m in saprolite in trench MEM17-002 located 110m to the northwest of the MEM showing.

In late October, the Company announced final assay results from a 6 hole second phase 790m diamond drilling program. The program has extended the MEM shear zone to a length of 825m and to depths of 150m, open along strike and to depth. Visible gold was noted in multiple intersections in the sulfide and quartz mineralized shear zone, with assay grades to 15.9g/t Au. Mineralized intersections in the central 400m long section of the MEM shear averaged 9.6g/t Au over estimated average true widths of 1.2m.

Given the locally high grades encountered, the significant strike and depth potential of this shear as well as the prospect of finding numerous other mineralized shears in the MEM area and several kilometres to the north and south, management is highly encouraged to aggressively continue exploring the option. On conclusion of additional land acquisition, which is well advanced, further ground geophysical surveys will be conducted to locate other shear zone/dilational breaks, and subject to available funding, further drilling to test down dip of the high grade section of the MEM shear is planned.

Selected Annual Information

		2018	2017	2016
Net income (loss)	$'000	(666)	(896)	(853)
Net income (loss) per share	$	(0.01)	(0.02)	(0.04)
Total assets	$'000	4,840	4,160	4,162
Total long-term liabilities	$'000	-	2,661	-

Selected Quarterly Information

The following table summarizes quarterly results for the current and 8 preceding quarters. The information contained in this table should be read in conjunction with the Company's financial statements.

Period ending:	Revenue	Net income (loss) for the period	Currency translation adjustment	Comprehensive Income (loss)	Net income (loss) per share
	$	$	$	$	$
January 31, 2018	Nil	117,285	(133,734)	(16,449)	-
October 31, 2017	Nil	(214,116)	106,704	(107,412)	(0.01)
July 31, 2017	Nil	(293,917)	(450,542)	(744,459)	(0.01)
April 30, 2017	Nil	(275,144)	243,792	(31,352)	-
January 31, 2017	Nil	151,368	4,904	156,272	0.01
October 31, 2016	Nil	(300,855)	(15,117)	(315,972)	(0.01)
July 31, 2016	Nil	(556,717)	113,534	(443,183)	(0.01)
April 30, 2016	Nil	(189,923)	(325,470)	(515,393)	(0.01)

Results of Operations

The Company's net operating loss for the year ended January 31, 2018 was $665,892(2017: $896,127). Against the prior year, the decrease is mainly attributable to a reduction in management fees, share – based payments, and investor relations and communication costs, partly offset by a smaller gain on debt settlement over the comparative period.

In the year ended January 31, 2018 a gain of $307,496 (2017: $548,350) was recognised upon the issuance of shares with a fair market value of $621,708 and warrants with a fair market value of $27,270 in settlement of debt totalling CAD$956,474.

The Company capitalizes all mineral property acquisition and exploration costs until the properties to which the costs are related are placed into production, sold or abandoned. The decision to abandon a property is largely determined by exploration results and the amount and timing of the Company's write-offs of capitalized mineral property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance.

During the year ended January 31, 2018, mineral property acquisition and exploration costs totalling $979,481(2017:$250,416), exclusive of Currency Translation Adjustments, were capitalized to mineral properties. Expenditures are detailed in the exploration expenditure table, page 8.

The table below presents the key expenditure items for the year ended January 31, 2018 and comparative years. Note references refer to the financial statements.

	Years ended January 31, 2018	2017
Expenses		
Advertising, trade shows and promotions	$ 27,895	$ 69,755
Amortization (Note 5)	225	878
Directors' fees (Note 11)	55,662	52,077
Foreign exchange loss	(1,275)	22,134
Gain on settlement of debt (Note 7)	(307,496)	(548,350)
General office	84,750	97,015
Management and consulting fees (Note 11)	299,675	422,728
Professional services (Note 11)	210,261	200,067
Share-based payments (Notes 8 and 11)	110,220	304,058
Shareholder communications (Note 11)	146,970	213,698
Transfer agent and regulatory fees	14,527	15,265
Travel	24,478	46,802
Net loss for the year	$ 665,892	$ 896,127

Dividends

There are no restrictions that could prevent the Issuer from paying dividends on its Common Shares. The Issuer has not paid any dividends on its Common Shares and it is not contemplated that the Issuer will pay any dividends in the immediate or foreseeable future. All available cash will be used to finance operations and explore mineral properties, until a revenue stream is generated.

Liquidity and Capital Resources

At January 31, 2018, the Company had a working capital deficiency of $2,321,513 (2017: $1,212,862). Liabilities totalling $956,474 were settled through the issuance of shares and warrants. (Refer to Capital Stock and Financing section).

Debt agreements which had deferred the maturity date of various amounts in accounts payable, accrued liabilities and amounts due to related parties until May 19, 2018 now fall within current liabilities, are non-interest bearing and are unsecured. In addition key management and directors have deferred cash compensation until the liquidity position improves.

Expenditure obligations in terms of the acquisition of its interest in the Fahiakoba Concession have been met in full by the Company.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover and develop economically viable mineral deposits. The mineral exploration process can take many years and is subject to many factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover general and administrative expenses, the Company raises money through shareholder loans and equity issues. In addition the Company continues to source funding for the development of the Kubi Gold Project as discussed in the "Principal Business" section on page 2 above.

Many factors influence the Company's ability to raise funds, including the gold price, the general health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Exploration Expenditures

Exploration expenditures for the years ended January 31, 2018 and 2017 were as follows:

	Property:					
	Fahiakoba	Betenase	Sraha	Kubi	Ayiem	Total
Balance at January 31, 2016	$ 3,811,235	$ 294,589	$ -	$ -	$ -	$ 4,105,824
Assaying, testing and analysis	-	-	1,068	-	-	1,068
Geology and geophysics	29,522	6,267	14,840	-	-	50,629
Field expenses	14,209	3,272	11,637	-	-	29,118
General and administrative	71,780	11,005	43,263	43,553		169,601
Currency translation adjustment	(211,592)	(67,676)	(1,535)	-	-	(280,803)
Balance at January 31, 2017	3,715,154	247,457	69,273	43,553	-	4,075,437
Drilling	-	-	504,944	-	-	504,944
Assaying, testing and analysis	-	-	15,160	-	-	15,160
Geology and geophysics	22,320	255	91,456	5,795	3,887	123,713
Acquisition and sustaining fees	-	-	5,405	63,217	-	68,622
Field expenses	15,589	5,046	83,818	19,739	5,137	129,329
General and administrative	24,642	14,039	63,721	18,440	16,871	137,713
Currency translation adjustment	(210,865)	(14,808)	(48,988)	(9,805)	(1,148)	(285,614)
Balance at January 31, 2018	$ 3,566,840	$ 251,989	$ 784,789	$ 140,939	$ 24,747	$ 4,769,304

Outstanding Securities Data

As at May 28, 2018, there are 57,160,221 Common Shares issued and outstanding. Warrants and options outstanding at date of this report are as follows:

Warrants:

Number of warrants	Exercise price	Expiry date
1,000,000	$ 0.25	April 28, 2018
600,000	$ 0.25	May 6, 2018
1,160,821	$ 0.25	October 20, 2018
497,299	$ 0.25	January 16, 2019
1,944,445	$ 0.25	February 17, 2019
4,350,000	$ 0.15	May 31, 2018
165,000	$ 0.15	May 31, 2018
603,977	$ 0.15	December 12, 2019
10,321,542		

Weighted Average Remaining Life - 0.6 years

Options:

Grant Date	Expiry Date	Exercise Price	Balance	Vested and Exercisable
2014-04-11	2019-04-11	$ 0.15	200,000	200,000
2014-05-15	2019-05-15	$ 0.15	350,000	350,000
2015-07-02	2020-07-02	$ 0.15	220,000	220,000
2016-05-06	2021-05-06	$ 0.17	1,040,000	1,040,000
2016-07-04	2021-07-04	$ 0.20	1,000,000	1,000,000
2017-03-07	2022-03-07	$ 0.20	200,000	200,000
2017-05-12	2022-05-12	$ 0.15	800,000	800,000
Balance to date of this report			3,810,000	3,810,000
Weighted Average Exercise Price:				$ 0.18
Weighted Average Remaining Life - 3.0 years				

On April 24, 2018, the Company extended the expiry date of 6,115,000 share purchase warrants by one year, all other terms and exercise conditions of the warrants remain the same as issued:

WARRANT SERIES NUMBER	NUMBER OF WARRANTS IN SERIES	EXERCISE PRICE (unchanged)	ORIGINAL EXPIRY DATE	NEW EXPIRY DATE
April 2016-01	1,000,000	$0.25	28 Apr 2018	28 Apr 2019
May 2016-01 and 03A	600,000	$0.25	6 May 2018	6 May 2019
May 2017-BW-01 and BW-02	165,000	$0.15	31 May 2018	31 May 2019
May 2017-01, 02, 05 to 08, 09A and 09B, 10A to 10H, 11 to 13	4,350,000	$0.15	31 May 2018	31 May 2019

Transactions with Related Parties

Related Party transactions include transactions with key management personnel and their related parties who hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

For the twelve months ended January 31, 2018 the following transactions occurred:

	January 31, 2018	January 31, 2017
Management and consulting fees paid or payable to MIA Investments Ltd, a company controlled by an officer and director, D MacQuarrie	$ 170,000	$ 180,000
Professional services paid or payable to 1765271 Ontario Inc., a company controlled by an officer of the Company, P Gibbs	90,000	90,000
Management and consulting fees paid or payable to B Ahmed, an officer and director	83,295	91,047
	$ 343,295	$ 361,047

	January 31, 2018	January 31, 2017
Directors fees:		
F. Riedl-Riedenstein	$ 12,000	$ 12,000
A. Heath	12,000	12,000
N. Goodman	11,000	7,000
H. K. Arhin (ASG Mining Limited - Ghana)	15,496	15,636
R. Bourke (Asante Gold Cororation GH Limited - Barbados)	2,583	2,606
R. Holford (Asante Gold Cororation GH Limited - Barbados)	2,583	2,606
	$ 55,662	$ 51,848

Executive management and directors have deferred cash compensation until the working capital position is improved, and accordingly amounts due to related parties including key management and directors have increased. As at January 31, 2018 a total of $1,635,001 (2017: $1,878,392) was owed to related parties, including working capital loans and advances.

Significant Accounting Policies

Significant accounting policies are detailed in the notes to the audited annual consolidated financial statements for the year ended January 31, 2018, which are available on www.sedar.com and on the Company's website.

Changes in Accounting Policies

- **Standards, Amendments and Interpretations Not Yet Effective**

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company is currently evaluating the potential impact of these standards and amendments and does not anticipate early adoption. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – 'Financial Instruments'

This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. This standard is effective for interim periods beginning on or after January 1, 2018.

IFRS 16 – 'Leases'
This new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. The application of this standard is effective for interim periods beginning on or after January 1, 2019.

IFRIC 22 – 'Foreign Currency Transactions'
This new standard and Advanced Consideration was issued in December 2016 and clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. For purposes of determining the exchange rate to use on initial recognition, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. IFRIC 22 is applicable for annual periods beginning on or after January 1, 2018.

The Company has not determined the extent of the impact of the above standards.

Risks and Uncertainties

The Company is exposed to a variety of risk factors, of which the most significant are outlined in the section 'Financial Risk Management' below.

Financial Risk Management

The Issuer is exposed in varying degrees to a variety of financial instrument related risks. The Board 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 Issuer if a counterparty to a financial instrument fails to meet its contractual obligations. The Issuer's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Issuer limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions in business and saving accounts, guaranteed investment certificates, and in government treasury bills which are available on demand by the Issuer.

Liquidity Risk

Liquidity risk is the risk that the Issuer will not be able to meet its financial obligations when they become due. The Issuer ensures, as far as reasonably possible, it will have sufficient capital or access to debt in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Issuer's holdings of cash and cash equivalents. The liquidity risk at this time is high due to the working capital deficiency and the current investment climate related to the still weak gold price effect on junior mining companies. The Company intends to raise funds from external sources through joint ventures, equity and debt.

Foreign Exchange Risk

The Issuer is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. At January 31, 2018, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

	US Dollars
Liabilities	$ 508,982
CAD foreign exchange rate	1.2301
CAD equivalent	$ 626,113

A 10% increase in the Canadian (CAD) dollar against the foreign currency at January 31, 2018 would result in an increase (decrease) to net income of $62,611, assuming that all other variables remain constant.

The Company is also exposed to foreign currency risk because the Company's exploration and evaluation assets are denominated in United States dollars. A 10% increase in the CAD dollar against the United States dollar at January 31, 2018 would result in a decrease to other comprehensive income of approximately $388,000 arising from the Company's exploration and evaluation assets.

Interest rate risk

The Issuer is subject to interest rate risk with respect to its investments in cash. The Issuer's policy is to invest cash at fixed rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when the cash and cash equivalents mature impact interest income earned. The Issuer is not exposed to significant interest rate risk.

Commodity Price Risk

While the value of the Issuer's mineral resource properties is indirectly related to the price of gold, the Issuer currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect of its operational activities.

Gold prices have historically fluctuated widely and are affected by numerous factors outside of the Issuer's control, including, but not limited to, industrial and retail demand, central bank financial policies, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

Capital Management

The Issuer's intended policy is to maintain a strong capital base and deal flow so as to maintain investor and creditor confidence and to sustain future development of the business. Given the poor junior company equity markets over the last few years, the Company decided to rely on debt financing rather than equity in order to minimize share dilution. The capital structure of the Issuer consists of cash and equity, comprising of issued common shares, share based payment reserve, accumulated and other comprehensive income (loss) and deficit.

There were no changes in the Issuer's approach to capital management during the quarter. The Issuer is not subject to any externally imposed capital requirements.

Fair Value

The fair value of the Issuer's financial assets and liabilities approximates their carrying amount. 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 data.

Financial assets are classified and subsequently measured, based on the purpose for which the asset was acquired, as presented below. All transactions related to financial instruments are recorded on a trade date basis.

Asset	Classification	Subsequent Measurement
Cash	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost