YELLOWHEAD MINING INC.

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Management Discussion and Analysis
Three and Six Months ended June 30, 2018
(Expressed in Canadian Dollars)

This Management Discussion and Analysis ("MD&A") of Yellowhead Mining Inc. should be read in conjunction with the Company's condensed consolidated interim financial statements and related notes for the three and six months ended June 30, 2018. The Company's condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. This MD&A should also be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2017, prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in this MD&A are expressed in Canadian Dollars unless otherwise noted. The information contained within this MD&A is current to August 22, 2018. Additional information of the Company is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company including but not limited to statements with respect to the Company's plans or future financial or operating performance; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; conclusions of economic assessments of projects; the timing and amount of estimated future production; future capital expenditures; costs and timing of the development of deposits; success of exploration activities; permitting time lines; requirements for additional capital; sources and timing of additional financing; realization of unused tax benefits; and the future price of gold, silver and copper. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "plan", "project", "intend", "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of Yellowhead Mining Inc. to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to the current global financial condition; the inherent risks involved in the exploration and development of mineral properties; the uncertainties involved in interpreting drilling results and other geological data; uncertainties related to completion results of planned exploration and development programs on the Company's material properties; metal price volatility; economic and political events affecting metal supply and demand; fluctuation in ore grade or recovery rates; fluctuations in tonnes of ore milled; possible variations in mineral resources; the possibility of project cost overruns or unanticipated costs and expenses; issuance of licenses and permits; the availability of and costs of financing needed in the future; increases in market prices of mining consumables and capital equipment; accidents; labour disputes; title disputes; claims and limitations on insurance coverage; delays in obtaining governmental approvals; changes in national and local government regulation of mining operations; and changes in tax rules and regulations. Although Yellowhead Mining Inc. has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking, there may be other factors that cause actual results to differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements are made as of the date hereof and accordingly are subject to change after such date. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans. Yellowhead Mining Inc. does not undertake to update any forward-looking statements that are included in this document if circumstances, management's estimates or management's expectations change, expect in accordance with applicable securities laws.

1. OVERVIEW, RISK and OUTLOOK

Yellowhead Mining Inc. ("Yellowhead" or the "Company") was incorporated on August 23, 2005 under the laws of British Columbia. The Company is a development stage company engaged in the acquisition, exploration and development of mineral properties with its focus on the development of the Harper Creek Project (the "Project"), which is located in the Thompson-Nicola area of British Columbia, Canada.

The Company was initially listed for trading on the TSX Venture on November 17, 2010 under the trading symbol "YMI". On June 11, 2012, it graduated from the TSX Venture to the TSX under the trading symbol "YMI". The Company's application for re-listing on the TSX Venture was approved and the Company was delisted from the TSX, and began trading on the TSX Venture on March 27, 2017 under the symbol "YMI.V".

Yellowhead is engaged in mineral exploration and development activities which, by their nature, are speculative due to the high risk nature of the business and the present stage of the development of the Project. Any investment in the common shares of Yellowhead should be considered a highly speculative investment due to the nature of the Company's business. Such risk factors could materially affect Yellowhead's future financial results and could cause actual results and events to differ materially from those described in forward looking statements and forward looking information relating to Yellowhead or the business, property or financial results, any of which could cause investors to lose part or all of their investment in Yellowhead. For a detailed discussion of the risk factors associated with the Company please consult the risk factors section of the Company's most recent Annual Information Form filed on SEDAR at www.sedar.com.

The Company's focus going forward is the development of the Project with the timing dependent on the commodity prices and capital markets. If adequate funds are not available when required, the Company may, based on the Company's cash position, delay, scale back or eliminate various programs. The Company may also seek to raise additional funds in the future through the sale of additional common shares either as a private placement or via a common share offering, seeking a strategic partnership or through the debt markets.

On August 1, 2018 the Company closed a Rights Offering for $1,051,935, which netted approximately one million dollars. These funds will be used to pay existing payables and to provide working capital for the next 12 months. Further additional funding will be required by the Company to complete its strategic objective of developing the Project.

Going Concern

The Company's ability to continue as a going concern is dependent upon receipt of all required permits, establishment of profitable operations and the Company's ability to obtain additional financing or outside participation to undertake further exploration and subsequent development of its mineral interests. While the Company has been successful in obtaining its required funding in the past, there is no assurance that sufficient funds will be available to the Company in the future. There is also no certainty that additional financing at terms that are acceptable to the Company will be available and the inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern.

The Company's investments in mineral interests comprise a significant portion of the Company's activities. Realization of the Company's investment in these properties is dependent on establishing legal ownership of the properties, on the attainment of successful commercial production, or from the proceeds of their disposal. The recoverability of the amounts shown for mineral interests and property, plant and equipment is dependent upon the existence of economically recoverable reserves, the ability of the Company to permit the Project, the ability of the Company to obtain necessary financing to complete the development of the Project, and upon future production or proceeds from the disposition thereof.

With regard to the ability of the Company to complete the environmental permitting for the Project, the Company had to:

- March 19, 2018 to provide additional information for the Environmental Assessment Application to the BC Environmental Assessment Officer (BC EAO), including a best available technologies / best available practices study of the tailings management facility, to consider options to reduce excess water storage, to update mitigation strategies, to update the effects assessment, and to provide a summary report by a qualified professional on how the recommendations of the Mount Polley Tailings Storage Breach Report were considered for the Company's Environmental Assessment Application; and

- June 30, 2018 for the BC EAO to complete its 180-day statutory review of the Project.

The Company had requested an extension to April 15, 2019 from the BC Government for both the March 19, 2018 and June 30, 2018 dates.

On July 19, 2018 the Company reported the decision by the BC Environment Ministry on the Company's request for an extension for its Environmental Assessment Application had been denied.

The BC Environmental Assessment Office (BC EAO) decided not to grant the Company's extension request and terminated the Company's Environmental Assessment Application. Its letter to the Company is available on the BC EAO website.

For environmental permitting purposes, it appears that the Company would need to begin a new environmental application process, which incorporates the new proposed Federal and Provincial regulatory requirements. These requirements are currently scheduled to be effective April/May 2019. The Company will give consideration to the merits of this approach. The minimum time frame required for a new environmental assessment application process including the collection and incorporation of fresh baseline environmental data and First Nation consultation would be three to four years. Further additional funding will be required by the Company to complete this strategic objective, as well as to construct the mine.

The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Additional disclosures pertaining to the Company's filings, technical reports, management information circulars, annual information forms, material change reports, press releases and other information are available on SEDAR at www.sedar.com.

2. HARPER CREEK PROJECT

The Project is a copper-gold-silver deposit located approximately 150km by road north-northeast of the city of Kamloops near the town of Vavenby, that is 100% owned by Harper Creek Mining Corporation, a wholly owned subsidiary of the Company. The property is 15km east of the community of Clearwater and adjacent to the Yellowhead Highway, the Canadian National Railways' transcontinental mainline and 12km from the BC Hydro power sub-station in the town of Vavenby. The Project was originally explored by Noranda and US Steel during the 1960's and 1970's. The Project is comprised of 131 mineral tenures covering 42,636 hectares and on January 31, 2014 the Company extended all 131 of its mineral tenures through to November 3, 2024.

The Project is subject to net smelter returns ("NSR") royalties for production from certain mineral tenures as follows:

- A 3% NSR capped at $2.5 million, subject to an inflation adjustment from July 2010, related to 31 mineral tenures acquired from Cygnus Mines Ltd., a subsidiary of US Steel Corp. Based on the Feasibility Study, this NSR will be extinguished in the first year of operations.

- A 2.5% NSR to Xstrata related to 6 mineral tenures. Based on the Feasibility Study, this equates to approximately 1.5 million tonnes of ore which is expected to be mined beginning in year sixteen of the mine plan.

The Project is a proposed 70,000 tonnes-per-day open pit copper mine with a 28 year mine life, located in the Thompson – Nicola region of British Columbia near Vavenby. Typically, the Project would have a four year development period, with the initial two years focused on environmental and construction permitting, and the second two years dedicated to construction. This assumes that there is sufficient environmental baseline data collection to support the initiation of the environmental permitting process. If developed, the Project would provide up to 600 jobs during construction and up to 450 permanent jobs during operations.

Past History of Environmental Permitting and First Nation Consultation

Pre-Application Phase

In January 2014, the Company initiated an update and revision of an application (the "EA Application") for an environmental assessment certificate ("EA Certificate") for the Project to include and reflect both additional baseline data collected during 2013-2014, as well as to address the deficiencies and comments raised by the British Columbia Environmental Assessment Office ("BC EAO") after the submission of the original EA Application in 2013. The update and revision included updated baseline reports, effects assessments, and proposed mitigation measures, as well as a suite of environmental management plans designed to cover all phases of operations from pre-construction, through construction, operations, closure and reclamation.

The EA Application meets the requirements of an environmental assessment pursuant to both the BC Environmental Assessment Act ("BCEAA") and the Canadian Environmental Assessment Act ("CEAA").

Application Review Phase

The Company submitted the EA Application for the Project to the BC EAO on November 10, 2014. This marked the start of the 30-day screening process led by the BC EAO and the Working Group established by the BC EAO. On December 11, 2014, the BC EAO advised the Company that the EA Application had been accepted into review and the 180 day Review Period would commence once the Company responded to a number of screening comments from the BC EAO and the Working Group. On January 28, 2015 the BC EAO advised the Company that the Review Period had been initiated. The public, First Nations, Provincial and Federal regulators included in the Working Group will be involved during the Review Period. Beginning in early March 2015, the Company started to receive comments from the BC EAO on the EA Application and the Company commenced the process of responding to such comments.

Following the Review Period, the EA Application goes to the Federal and Provincial governments for a final decision on granting an EA Certificate.

Impact of the Mount Polley Report

On January 30, 2015, the Mount Polley Tailings Facility Storage Breach Report ("Report") was issued, and concluded that the root cause of the Mount Polley tailings dam failure was a design flaw. The Report also made a number of recommendations which the BC Provincial Government has adopted.

Following release of the Report, the Company received correspondence from the Director of the BC EAO requiring the Company to undertake an additional alternate means assessment with respect to the tailings management facility ("TMF") proposed for the Project, consider water balance management of excess water, and address the recommendations in the Report. This request will require the Company to undertake additional work and will require an extension to the Review Period. Such additional work, and the extension of the Review Period, will result in the Company incurring additional costs prior to receiving an EA Certificate, and will also require the Company to seek additional working capital to fund such costs.

Therefore, in order to allow time to provide the additional information and undertake the additional work required as a consequence of the Report, including an updated assessment of alternatives for undertaking the Project with respect to options for tailings management that considers technology, siting and water balance, the Company requested a timeline suspension to the EA Review, which was granted on June 30, 2015. The Company requested a further extension from the BC Government until April 15, 2019, which was denied on July 13, 2018.

Care and Maintenance Program

Since October 1, 2015 and until mid-2017, all activities with respect to the Environmental Assessment ("EA") Application and environmental monitoring ceased and the Project was placed on care and maintenance, as a result of the Board of Directors concluding that, in light of current conditions in the commodity markets, the international capital markets, and the regulatory process, it was in the best interests of all of the shareholders to defer any additional expenditures beyond care and maintenance on the Project until such time as more favourable commodity, capital markets, and First Nation support presented themselves.

In mid-2017, the Company conducted preliminary assessments and engaged consultants to determine if the EA Application process could be successfully completed. In April 2018 the Company engaged in discussions with the BC EAO and in May 2018 the Company requested an extension to April 15, 2019 to complete the environmental permitting, which was denied on July 13, 2018

First Nation Consultation

The Company has a fiduciary and regulatory responsibility to consult with First Nations that may be impacted by the Project. The Company's approach to First Nation consultation is to act prudently, honestly and in good faith with a view to the best interests of the Company.

3. HARPER CREEK EXPENDITURES

As at June 30, 2018, a summary of the Company's mineral property expenditures at Harper Creek is as follows:

	Capitalized mineral interests	Exploration and evaluation expenses	Total expenditures on Harper Creek
Balance, December 31, 2017	$885,235	$38,737,445	$39,622,680
Assaying	-	450	450
Contract wages	-	18,211	18,211
Environmental assessment	-	-	-
Equipment rental	-	22,766	22,766
Other	-	18,214	18,214
Balance, June 30, 2018	**$885,235**	**$38,797,086**	**$39,682,321**

4. SUMMARY OF QUARTERLY RESULTS

(Amounts are expressed in thousands of Canadian dollars, except per-share amounts)

	2018		2017				2016		
Quarter Ended	**30-Jun**	**31-Mar**	**31-Dec**	**30-Sep**	**30-Jun**	**31-Mar**	**31-Dec**	**30-Sep**	**30-Jun**
Administrative expenses	$ 55	$ 89	$ 249	$ 98	$ 135	$ 158	$ 103	$ 123	$ 134
Exploration and maintenance expenses	28	32	154	169	101	32	66	32	43
Other (income)	(60)	(50)	(51)	-	(1)	-	(2)	(1)	(2)
Gain on write-off of accounts payable	-	-	-	-	-	-	(260)	-	-
Net loss/(gain) and comprehensive loss/(gain) for the period	23	71	352	267	235	190	(93)	154	176
Basic and diluted loss/gain per share for the period	$0.002	$0.007	$0.034	$0.026	$0.023	$0.018	($0.009)	$0.015	$0.017

The Company's changes in financial results on a quarter by quarter basis are due primarily to fluctuations in the level of activity of project development, travel and investor relations and administration. As the Company continues to develop the Project, expenditures incurred by the Company reflect all associated development activities.

The operating results of junior mining companies can fluctuate significantly from period to period. Being in the development stage, the Company has no revenue from operations.

Review of Quarterly Financial Results – Three months ended June 30, 2018 ("Q2 2018") compared to the three months ended June 30, 2017 ("Q2 2017")

The Company recorded a net loss of $23K for Q2 2018 (Q2 2017 - $235K), a decrease of $212K.

In Q2 2018, as compared to Q2 2017:

- Administrative expenses decreased by $80K, as provided below,
- Exploration and evaluation expenses decreased by $73K mostly due to $67K of environmental assessment costs for the tailings pond improvements review being incurred in Q2 2017 whereas there were no environmental assessment costs incurred in Q2 2018, and

- Other income increased by $59K from the rentals of a small portion of the Vavenby land for:
  - a one year term commencing October 1, 2017 with two 6-months options. The annualized lease revenue is $200K.
  - a two month term commencing June 1, 2018 with lease revenue of $10K each month.

In Q2 2018 as compared to Q2 2017, the component changes to administrative changes include:

- Consulting fees expense were $nil in Q2 2018 and $2K in Q2 2017. The decrease is due to an independent consultant being engaged to assist with the potential completion of the Company's environmental assessment application in Q2 2017,
- Filing fees expense was $nil in Q2 2018 vs $17K in Q2 2017. The decrease is mostly due to the Company's 12 to 1 common share consolidation during Q2 2017.
- Insurance expense was comparable in Q2 2018 and Q2 2017.
- Office supplies and services expense was comparable in Q2 2018 and Q2 2017.
- Professional fee expense was $34K in Q2 2018 vs $55K in Q2 2017. The decrease is mostly due to legal fees for the Company's 12 to 1 common share consolidation during Q2 2017.
- Rent expense was $nil in Q2 2018 vs a credit of $1K in Q2 2017. The change is due to the Company receiving a $1K refund for common area cost in Q2 2017.
- Travel and investor relations expense was $3K in Q2 2018 vs $7K in Q2 2017. The decrease is mostly due to CEO related travel in Q2 2017.
- Wages and benefit expense was $4K in Q2 2018 vs $40K in Q2 2017. The decrease is due to the CEO resignation effective January 31, 2018. In Q2 2018, costs for the CEO services are included in professional fees and in Q2 2017, these costs were included in wages and benefits.

Review of Quarterly Financial Results – Six months ended June 30, 2018 ("YTD 2018") compared to the six months ended June 30, 2017 ("YTD 2017")

The Company recorded a net loss of $94K for YTD 2018 (YTD 2017 - $426K), a decrease of $332K.

In YTD 2018, as compared to YTD 2017:

- Administrative expenses decreased by $149K, as provided below,
- Exploration and evaluation expenses decreased by $74K mostly due to $67K of environmental assessment costs for the tailings pond improvements review being incurred in YTD 2017 whereas there were no environmental assessment costs incurred in YTD 2018, and
- Other income increased by $109K from the rentals of a small portion of the Vavenby land for:
  - a one year term commencing October 1, 2017 with two 6-months options. The annualized lease revenue is $200K.
  - a two month term commencing June 1, 2018 with lease revenue of $10K each month.

In YTD 2018 as compared to YTD 2017, the component changes to administrative changes include:

- Consulting fees expense were $nil in YTD 2018 and $2K in YTD 2017. The decrease is due to an independent consultant being engaged to assist with the potential completion of the Company's environmental assessment application in Q2 2017,
- Filing fees expense was $13K in YTD 2018 vs $46K in YTD 2017. The decrease is mostly due to the Company listing fees for the TSX.V in Q1 2017 and the Company's 12 to 1 common share consolidation during Q2 2017.
- Insurance expense is comparable in YTD 2018 and YTD 2017, albeit there was a slight premium increase.
- Office supplies and services expense was $8K in YTD 2018 vs $14K in YTD 2017. The decrease is mostly due to the timing of fees paid to a mining association in Q1 2017.

- Professional fee expense was $81K in YTD 2018 vs $109K in YTD 2017. The decrease is mostly due to legal fees for the TSX-V listing in Q1 2017 and the legal fees for the Company's 12 to 1 common share consolidation during Q2 2017.
- Rent expense was $nil in YTD 2018 vs a credit of $1K in YTD 2017. The change is due to the Company receiving a $1K refund for common area cost in Q2 2017.
- Travel and investor relations expense was $3K in YTD 2018 vs $10K in YTD 2017. The decrease is mostly due to CEO related travel in YTD 2017.
- Wages and benefit expense was $19K in YTD 2018 vs $94K in YTD 2017. The decrease is due to the CEO resignation effective January 31, 2018. In YTD 2018, costs for the CEO services are included in wages and benefits for January 2018 and in professional fees for the other months, and in YTD 2017, these CEO costs were included in wages and benefits.

5. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these financial statements are as follows:

- During the six months ended June 30, 2018, the Company incurred project exploration expenses of $22,766 (June 30, 2017– $21,891) to CME Consultants Inc., a contractor company controlled by a director of the Company's 100% owned subsidiary Harper Creek. These costs have been included in exploration and evaluation expenses. As at June 30, 2018, the balance owing to that company was $nil (December 31, 2017- $nil).

- During the six months ended June 30, 2018, the Company incurred professional fees of $39,902 (June 30, 2017- $nil) for CEO services and financial services to Coates Consulting, an entity controlled by the Interim CEO., effective March 26, 2018. These costs have been included in professional fees. As at June 30, 2018, the balance owing to that company was $39,902 (December 31, 2017- $nil).

- During the six months ended June 30, 2018, the Company incurred professional fees of $15,410 (June 30, 2017- $19,620) for CFO services to David McGoey Professional Corporation, a company controlled by the CFO. These costs have been included in professional fees. As at June 30, 2018, the balance owing to that company was $21,037 (December 31, 2017- $4,856).

- During the six months ended June 30, 2018, the Company incurred director fees of $7,500 (June 30, 2017- $7,500) for Audit Committee Chairman services to 771120 Alberta Ltd, a company controlled by a director. These costs have been included in wages and benefits. As at June 30, 2018, the balance owing to that company was $11,459 (December 31, 2017- $3,959).

These transactions, occurring in the normal course of operations are measured at the estimated fair value of the services provided or goods received.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company has negative working capital of $526K (December 31, 2017- $433K), and on August 1, 2018 the Company closed a Rights Offering of $1,051,935, which netted approximately one million dollars. These funds will be used to pay existing payables and to provide working capital for the next 12 months.

Included in working capital were cash and cash equivalents of $3K (December 31, 2017 - $64K).

Please refer to the "Overview, Risk and Outlook" section of this report for a full analysis of the Company's ability to continue as a Going Concern.

7. COMMITMENTS AND CONTINGENCIES

The Company had no contractual expense commitments. Effective October 1, 2017, the Company has a land lease commitment to September 30, 2018 to rent out a small portion of its Vavenby land for annualize lease revenue of $200,000. The one-year lease term has two options to renew the term of the lease to a further six months per option.

Due to the nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. In the opinion of management, these matters will not have a material effect on the condensed consolidated interim financial statements of the Company.

The Company does not currently have any capital expenditure commitments and does not utilize off-balance sheet arrangements.

8. OUTSTANDING SHARE DATA

(a) Authorized, Issued and outstanding

The Company is authorized to issue an unlimited number of Class A common shares without par value

At June 30, 2018 the Company had 10,313,088 common shares issued and outstanding (December 31, 2017 – 10,313,088).

On August 1, 2018 the Company closed its Rights Offering that was announced on June 27, 2018. This Rights Offering resulted in 8,766,125 new common shares being issued for gross proceeds of $1,051,935, bring total issued and outstanding common shares to 19,079,213.

(b) Stock options

The Company implemented a new stock option plan on April 19, 2012, whereby the Board of Directors of the Company may grant directors, officers, employees, and consultants stock options to acquire common shares of the Company. Under the stock option plan, options granted are non-assignable and may be granted for a term not exceeding ten years. The plan is administered by the Board of Directors, which determines individual eligibility under the plan, the number of shares reserved underlying the options granted to each individual (not exceeding 10% of issued and outstanding shares to any insider; not exceeding 2% of the issued and outstanding shares to any consultant) and any vesting period which, pursuant to the stock option plan can be determined and imposed by the Board of Directors. The plan provides for a rolling maximum and allows the Company to issue stock options up to a maximum of 10% of the Company's issued and outstanding common shares.

The Company's outstanding and exercisable stock options as at August 22, 2018 is nil, as the last tranche of options expired on July 3, 2018.

(c) Share-based compensation

During the three and six months ended June 30, 2018 and 2017, the Company did not grant any stock options. Also, the Company did not grant any stock options in the period July 1, 2018 to August 22, 2018. During 2016, all of the Company's options were fully vested and all share-based compensation was fully amortized.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

9. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The Company's management is required to make judgements in the process of applying the Company's accounting policies in the preparation of its consolidated financial statements. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. While management believes the estimates are reasonable, actual results could differ from these estimates and could impact future results of operations and cash flows. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

There have been no changes in the Company's critical accounting estimates in Q2 2018. Further information on the Company's critical accounting estimates can be found in the notes to the annual audited consolidated financial statements and Management Disclosure and Analysis for the year ended December 31, 2017.

10. INTERNAL CONTROLS AND PROCEDURES

In contrast to non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the Company officers do not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their venture issuer basic certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.