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MANAGEMENT DISCUSSION & ANALYSIS

RavenQuest BioMed Inc. is a British Columbia corporation. The Company's principal place of business is #780-580 Hornby Street, Vancouver BC, Canada. RavenQuest currently trades in Canada on the CSE under the symbol RQB, in the United States on the OTCQB under the symbol RVVQF and in Germany on the Frankfurt exchange under the symbol 1IT.

On April 9, 2018, the Company announced that it has secured DTC Eligibility for its common shares listed on the OTC market in the United States.

This discussion and analysis should be read in conjunction with our consolidated financial for the year ended October 31, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in the consolidated financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

FORWARD LOOKING INFORMATION

This management discussion and analysis ("*MD&A*") contains certain forward-looking statements and information relating to RavenQuest BioMed Inc. ("RavenQuest") that are based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to our company or our management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the insufficiency of current working capital, the estimated cost and availability of funding for the continued business operations. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

ACQUISITION OF 8649081 CANADA INC. ("BLOOMERA")

In March 2018, the Company completed the acquisition of 8649081 Canada Inc. ("Bloomera"), a Markham, Ontario based licensed producer of cannabis under the Access to Cannabis for Medical Purposes Regulations ("ACMPR License").

Under the terms of the transaction, the Company has acquired all of the outstanding share capital of Bloomera in consideration for a cash payment of $15,000,000 plus $89,651 as deposit for the leased property less balance of the shareholder loans, and the issuance of 10,400,000 common shares (valued at $13,624,000) to the existing shareholders of Bloomera. Further, the Company paid $1,270,000 and issued 448,000 common shares valued at $568,960 to finders.

Bloomera currently holds an ACMPR License to cultivate and will initially add approximately 2,000 kilograms of annual production of cannabis to the Company's investment division. The Company also owns Alberta Green Biotech, an Edmonton facility with expected annual production of approximately 7,000. Given the Company's growing methodology and application of yield-maximization research being developed in partnership with

McGill University, the Company expects to produce at least 11,000 kilograms of cannabis annually from these two facilities.

In May 2018, Bloomera completed the first of two harvests required by Health Canada for license to sell and dispense. Bloomera successfully passed all chemistry and microbiology testing on the first grow cycle. Second harvest has completed and passed all chemistry and microbiology testing by Health Canada. Sales inspection was completed in January 2019.

On November 13, 2018, the Company announced that Bloomera has received its business to business ("B2B") sales license from Health Canada (the "B2B Licence"). The B2B License immediately permits the Company to sell dried cannabis, plants and seeds to other standard cultivators (licensed producers).

The B2B License, issued under Health Canada's Cannabis Act ("CA") and Cannabis Regulations ("CR"), was received on November 9, 2018 and demonstrates the Company's continued compliance with Health Canada's regulations.

Importantly, the B2B License also paves the way for the Company's full sales license, which would allow cannabis sales both medically and recreationally.

The B2B License permits sales of cannabis between federal license holders which includes sales of both bulk cannabis and pre-packaged, labelled and tested cannabis products. Effective immediately, the Company is authorized to sell cannabis in accordance with subsection 11(5) of the CR. Specifically, these activities include:

- the sale and distribution of dried cannabis, fresh cannabis, cannabis plants and cannabis seeds to licensed micro and standard cultivators, processors, analytical testing labs, researchers or cannabis drug manufacturers;
- sale and distribution of cannabis plants and cannabis plant seeds to a licensed nursery;
- the sale and distribution of cannabis plants and cannabis plant seeds, that are cannabis products to a holder of a license for sale, or a person authorized to sell cannabis under a provincial Act that authorizes the sale of cannabis by reason of subsection 69(1) of the CA; and,
- the sale and delivery of cannabis plants and cannabis plant seeds, that are cannabis products, to the purchaser of the products at the request of: a person authorized to sell cannabis under a provincial Act that authorizes the sale of cannabis by reason of subsection 69(1) of the CA, or a holder of a license for sale.

ACQUISITION OF ALBERTA GREEN BIOTECH ("AGB")

During the year ended October 31, 2018, the Company acquired the remaining 0.11% of AGB for 9,152 common shares (valued at $13,087) of the Company. The Company now owns 100% of AGB.

AGB is currently constructing a 35,500 square foot facility in Edmonton, targeting completion in Q2 2019. Once completed, the facility is expected to produce 7,000 kg of cannabis annually.

Construction is on schedule and is expected to complete in Q2 2019. We have submitted our Confirmation of Readiness evidence package on August 9th which is the required information for our licence to cultivate. We are waiting for Health Canada's response.

FORT MCMURRAY #468 MOU

On March 19, 2018, the Company signed a Memorandum of Understanding with Fort McMurray #468 First Nation (“FM 468”) to collaborate in the development, operation and financing of a purpose-built facility for the production of cannabis on lands controlled by FM 468.

The Company developed an indigenous-centered, end-to-end solution for cannabis production and sale on sovereign land. The Company will provide its expertise to deliver the technical know-how, staff resources, and financing opportunities as they relate to the development of the Production Facility, initially sized at 25,000 square feet. In consideration, the Company will receive a 30% ownership interest in such a facility.

The parties intend that the Production Facility will rapidly expand from its initial development to a maximum of 250,000 square feet. Under such an arrangement, the Company will be granted the rights to a perpetual stream of a portion of cannabis produced at the Production Facility. Any joint venture arrangement will include provisions for the continued development and expansion of the production facility.

On May 2, 2018, the Company added two new projects at the MOU stage, including a 250,000 square foot joint venture with Fort McMurray #468 First Nation and the acquisition of late stage applicant, Western AgriPharma Limited, with 125,000 square feet of future grow space. Full buildout of both facilities moves the Company’s projected production from 11,000 kg annually to over 50,000 kg annually.

WESTERN AGRIPHARMA LIMITED MOU

On April 3, 2018, the Company reported the signing of a Memorandum of Understanding with Western Agripharma Limited (“WAL”) pursuant to the acquisition of 100% of WAL’s outstanding shares. WAL is a late-stage applicant with Health Canada in the development of a 125,000 square foot facility, purpose-built for the production of cannabis in Port Mellon, on British Columbia’s Sunshine Coast.

Completion of any transaction with WAL is subject to a number of conditions, including, but not limited to, completion of due diligence, negotiation of definitive agreements in respect of such a transaction, and the receipt of any required regulatory approvals. A transaction cannot be completed until these conditions are satisfied, and there can be no assurance that such a transaction will be completed at all. Readers are cautioned that the memorandum of understanding entered into with WAL does not set forth the terms of a potential transaction nor have such terms been negotiated or finalized.

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH MOU

On July 11, 2018, the Company announced that its wholly owned subsidiary, Bloomera, has signed a memorandum of understanding (the “MOU”) with the British Columbia Liquor Distribution Branch (“BCLDB”) to pursue the wholesale distribution of cannabis produced by Bloomera. It is expected that the agreement to be reached with BCLDB will cover the first 12 months of the legalized adult use cannabis market in Canada and see Bloomera sell all of its production over that period to the BCLDB. The MOU provides that Bloomera will supply an assortment of cultivars and end products to the BCLDB.

The BCLDB is responsible for regulating private retail cannabis licensing and the distribution of cannabis to retail stores in British Columbia’s legal adult use recreational cannabis marketplace. The MOU does not represent a binding purchase agreement, and any distribution of cannabis products to the BCLDB is subject to the negotiation of such an agreement on the terms specified by the BCLDB. The Company will provide additional information regarding the BCLDB supply and distribution process as it becomes available.

ALEXANDER FIRST NATION

On August 15, 2018, the Company entered into a services agreement with Alexander First Nation to develop a Health Canada cannabis license application. Alexander First Nation is located adjacent to the Edmonton Metropolitan Region and plans to build a cannabis facility on its sovereign land.

PROVISION FOR PREPAID EXPENSE

As at October 31, 2018, the Company had prepaid expenses totalling $889,845 (2017 - $103,773) which comprised of consulting, insurance, advertising and promotion, and deposits.

During the year ended October 31, 2018, the Company entered into agreements, for several months to one year periods, with several parties for advertising, marketing, investor relations, M&A financial advisory and other consulting services with contract values totalling $5,000,000, which was initially recorded in prepaids and deposits. The fees under these agreements were paid in March 2018 and July 2018 concurrent with the Company's non-brokered financing and no amounts were recognized as expense for the year ended October 31, 2018. There is uncertainty regarding the ability and intent of the service providers to continue fulfilling their obligations. The Company is working with the consultants to ensure that they fulfil their obligations, however, due to uncertainty, the Company has recorded a provision for $4,800,000. Subsequent to the year-end, the Company recovered $200,000 for consulting services not performed, which is included in receivables as at October 31, 2018.

COMPANY OVERVIEW

On October 15, 2018, the Company introduced two distinct flagship brands, both of which were available to the consuming public under Canada's legalized adult recreational framework. Throughout our brand development, the Company has remained engaged with Victims of Advertising (VOA), gaining in-depth understanding of our target markets and creating brands that appeal to our consumer segments. VOA brings a wealth of experience in creating and launching brands with a clear actionable strategy and creative vision. Leading companies in the technology, biotech, tourism and, notably, cannabis industries collaborate with VOA.

The Company's cannabis offerings will lead our clients through the entire wholistic cannabis experience. Each experience begins with an informed selection of a suitable cultivar (strain). The journey then extends through the enjoyment of inspired packaging and finally delivers a high quality, predictable and repeatable experience that can only come from the science-based grow methodologies for which the Company has become so well-known.

On December 4, 2018, the Company announced that it is concluding its first cannabis sales transaction, beginning a new era for the Company as it joins an exclusive club of companies that generate revenue from the legal sale of cannabis in Canada.

On December 18, 2018, the Company entered into a supply agreement with Wayland Group ("Wayland"). As part of the supply agreement, Wayland will purchase up to 8,000 kg of dried flower cannabis from the Company in 2019. The total quantity will be shipped periodically throughout 2019 as product becomes available.

As part of the supply agreement, Wayland made a one-time payment of $2,000,000 to the Company in anticipation of the first major shipment of cannabis flower in March 2019. Pricing for the transaction is comparable with prevailing wholesale cannabis prices.

On December 21, 2018, the Company announced that it has been retained by Canadian Licensed Producer, Bonify Holdings Corporation ("Bonify"). The Company will provide comprehensive management services including operational direction and oversight to Bonify's 320,000 square foot cannabis production facility located in Winnipeg, Manitoba.

The Company has a lengthy history as a leading consultant in the Canadian cannabis space and has been retained for the purposes of maintaining compliance with Health Canada regulations and improving and streamlining production operations.

On January 1, 2019, the Company entered into a short term promissory note for the amount of $1,600,000 with an arm's length creditor. Terms include interest payable at 6% per annum, compounded monthly and payable upon maturity. The Company made a $200,000 partial repayment of the principal.

On January 3, 2019, the Company announced that it entered into an agreement to acquire a 51% interest in Abbotsford, British Columbia based 1 Life Cannabis Corporation ("1 Life").

1 Life has deep roots in the craft cannabis community and focuses on premium, small batch artisan cannabis cultivation. 1 Life will use the Company's 24,000 square foot facility design which will become part of a license extension from the Company's Health Canada license. 1 Life has submitted plans to Health Canada which will include a large centralized extraction and processing facility as well as multiple small grow rooms ideal for unique, artisan growers to come together under one roof.

Under the terms of the transaction, the Company will acquire a controlling interest (51%) in 1 Life for $1. This interest can be redeemed by 1 Life at any time after it receives a license to produce under the Cannabis Act, and in consideration RavenQuest will be granted an ongoing royalty of 15% of the gross revenue from production at 1 Life. Completion of the transaction with 1 Life is subject to completion of due diligence, the negotiation of definitive documentation and the receipt of any required regulatory approvals.

On February 6, 2019, the Company announced that the Company will continue to provide management & consulting services to Bonify under a one-year contract extension. The one-year extension will begin when the initial three month contract expires at the end of March 2019, taking the entire term of the services agreement through March 2020.

On February 15, 2019, the Company announced that it entered into a Letter of Intent to be the exclusive distributor of seeds from award winning, Amsterdam-based, cannabis seed producer Dutch Passion.

Having won 50+ Cannabis Cups awarded for high-THC and high-CBD varieties of cannabis which are particularly easy to grow, Dutch Passion invented feminized cannabis seeds in the 1990's and helped pioneer the success of high-THC Autoflower cannabis in more recent years. Dutch Passion is one of the world's oldest cannabis seedbanks and one of the few remaining original seed companies, offering a variety of original classic cannabis varieties as well as some of the very best new varieties, available in Regular, Feminized as well as Autoflower seeds. Dutch Passion was founded in the 1970's and formally established as a seedbank in 1987.

The Company believes that its arrangement with Dutch Passion will address two distinct market segments in Canada for home-growers and micro-cultivators: Premium market "Dutch Passion" and value-market "SeedStockers", which will also be sold under the Company's private label.

Dutch Passion seeds will give Canadian home-growers and (micro) Licensed Producers access to a wide selection from over 60 premium seeds including Cannabis Cup award winning "Orange Bud®", "Power Plant®", "Glueberry O.G.®", "Mazar®", "CBD Skunk Haze®" and "Euforia®".

CASH FLOWS

During the year ended October 31, 2018, the Company had the following cash flows.

i) Cash outflows from operating activities of $11,101,970 (2017 - $2,495,615) consisting of operating expenses during the year.

ii) Cash outflows used in investing activities of $28,543,613 (2017 - $158,611) consisting primarily of cash paid for the acquisition of plant and equipment and cash paid on acquisition of subsidiaries.

iii) Cash inflows from financing activities of $36,628,537 (2017 - $6,033,478) consisting primarily of proceeds from convertible debentures and proceeds from private placements.

SELECTED ANNUAL INFORMATION

Description	**October 31, 2018 $**	**October 31, 2017 $**	**October 31, 2016 $**
Revenues	*1,256,740*	*112,351*	-
Net and Comprehensive Loss			
Total	*(30,467,863)*	*(3,301,081)*	*(81,458)*
Per share	*(0.33)*	*(0.10)*	*(0.00)*
Total Assets	*37,704,606*	*8,699,909*	*8,699*
Long term financial liabilities	*13,258,696*	-	-
Cash dividends	*N/A*	*N/A*	*N/A*

SUMMARY OF QUARTERLY RESULTS

Description	**Three months ended Oct 31, 2018**	**Three months ended July 30, 2018**	**Three months ended Apr 31, 2018**	**Three months ended Jan 31, 2018**	**Three months ended Oct 31, 2017**	**Three months ended July 30, 2017**	**Three months ended Apr 31, 2017**	**Three months ended Jan 31, 2017**
Revenues	*$ (140,868)*	*$ 171,853*	*$ 614,360*	*$ 611,395*	*$ 112,351*	*$ -*	*$ -*	*$ -*
Net and comprehensive loss for period	*(22,826,318)*	*(3,184,959)*	*(3,436,044)*	*(1,020,542)*	*(2,858,375)*	*(384,644)*	*(35,976)*	*(22,086)*
Per share	*(0.21)*	*(0.03)*	*(0.04)*	*(0.01)*	*(0.09)*	*(0.01)*	*(0.00)*	*(0.00)*

During the periods ended October 31, 2018, July 31, 2018, April 30, 2018, January 31, 2018, October 31, 2017 and July 31, 2017, the Company became more active as it acquired the business of CL2G, and the assets of AGB and Bloomera. As a result, the Company's expenses increased significantly from previous years. The Company also recorded revenue during the period ended July 31, 2018, April 30, 2018, January 31, 2018 and October 31, 2017, primarily consulting income.

RESULTS OF OPERATIONS

Fiscal Year ended October 31, 2018 and 2017

For the year ended October 31, 2018, the Company's business operated primarily through two operating segments – consulting business, and cultivation and sale of medical cannabis. The Company reports activities not directly attributable to an operating segment under corporate. These operating segments are monitored by the Company's chief operating decision makers, and strategic decisions are made on the basis of segment operating results.

	Consulting	Medical cannabis	Corporate	Total
Revenue	$ 1,256,740	$ -	$ -	$ 1,256,740
Gross profit	$ 801,292	$ -	$ -	$ 801,292
Impairment of intangible assets	$ -	$ 11,712,000	$ -	$ 11,712,000
Net loss before income tax	$ (1,295,037)	$ (14,927,548)	$ (14,823,278)	$ (31,045,863)

We incurred a net and comprehensive loss of $30,467,863 for the year ended October 31, 2018 (2017 - $3,301,081). The $1,256,740 in revenue (2017 - $112,351) was as a result of the operations purchased as part of the acquisition made in Q4 2017.

Some of the items comprising the loss for the year ended October 31, 2018 were:

- Advertising and promotion of $946,799 (2017 - $Nil) increased primarily as a result of increased activities in the current year to raise awareness regarding the Company's activities subsequent to the acquisitions made in Q4 2017 and Q2 2018.

- Bad debt expense of $350,856 (2017 - $Nil) increased primarily due to recognition of uncollectible receivables in the current year.

- Depreciation and amortization of $1,881,443 (2017 - $286) increased primarily as a result of an increase in additions to plant and equipment and intangible assets subsequent to the acquisition made in Q4 2017 and Q2 2018.

- Interest and accretion of $1,903,835 (2017 - $147,056) increased primarily due to interest accrued on the convertible debentures and loans payable during the current year.

- Gain on settlement of debt of $107,174 (2017 - $Nil) increased due to the settlement of accounts payable during the current year.

- Management and consulting fees of $300,055 (2017 - $86,000) increased primarily due to post acquisition management fees of $240,000 paid to the CEO which is included in wages and $120,000 paid to a director of the Company during the current year.

- Office expenses of $543,351 (2017 - $18,795) increased as a result of increased expenses required to run the Company subsequent to the acquisitions made in Q4 2017 and Q2 2018.

- Professional fees of $457,194 (2017 - $212,334) increased due to increased service requirements required to run the Company subsequent to the acquisitions made in Q4 2017 and Q2 2018.

- Rent of $808,819 (2017 - $47,044) increased due to rentals and leases assumed during the acquisitions made in Q4 2017 and Q2 2018.

- Share-based compensation of $6,156,802 (2017 - $45,800) increased as a result of stock options granted during the year.

- Travel of $260,910 (2017 - $50,694) increased primarily as a result of more trips taken during the current year relating to new operations.

- Wages of $1,593,428 (2017 - $132,458) increased due to new operations in the current year.

- Impairment of goodwill of $Nil (2017 - $2,252,495) is associated with the acquisition of CL2G operations in the previous year.

- Impairment of intangible asset of $11,712,000 (2017 - $Nil) is related to Bloomera's intangible asset acquired during the year.

- Provision of $4,800,000 (2017 - $Nil) is related to fees paid for several consulting agreements that were entered into in the current year for which the ability and intent of the service providers to fulfil their obligations is uncertain.

- Transaction costs of $Nil (2017 - $259,920) decreased as a result of the acquisition of CL2G operations in the previous year.

Three months ended October 31, 2018 and 2017

For the three months ended October 31, 2018, the Company's business operated primarily through two operating segments – consulting business, and cultivation and sale of medical cannabis. The Company reports activities not directly attributable to an operating segment under corporate. These operating segments are monitored by the Company's chief operating decision makers, and strategic decisions are made on the basis of segment operating results.

		Consulting		Medical cannabis		Corporate		Total
Revenue	$	(140,868)	$	-	$	-	$	(140,868)
Gross profit	$	(184,458)	$	-	$	-	$	(184,458)
Impairment of intangible assets	$	-	$	11,712,000	$	-	$	11,712,000
Net loss before income tax	$	(1,080,869)	$	(14,050,232)	$	(8,272,217)	$	(23,404,318)

We incurred a net and comprehensive loss of $22,826,318 for the three months ended October 31, 2018 (2017 - $2,858,375). In Q4 2018, the Company reversed certain revenues.

Some of the items comprising the loss for the three months ended October 31, 2018 were:

- Advertising and promotion of $320,312 (2017 - $Nil) increased primarily as a result of increased activities in the current year to raise awareness regarding the Company's activities subsequent to the acquisitions made in Q4 2017 and Q2 2018.

- Bad debt expense of $350,856 (2017 - $Nil) increased primarily due to recognition of uncollectible receivables in the current year.

- Depreciation and amortization of $1,839,070 (2017 - $286) increased primarily as a result of an increase in additions to plant and equipment and intangible assets subsequent to the acquisition made in Q4 2017 and Q2 2018.

- Interest and accretion of $730,711 (2017 - $140,692) increased primarily due to interest accrued on the convertible debentures and loans payable during the current year.

- Gain on settlement of debt of $47,702 (2017 - $Nil) increased due to the settlement of accounts payable during the current year.

- Management and consulting fees of recovery of $2,149,156 (2017 - $30,000) increased primarily due to consulting fees which have been included in provision of prepaid expense during the current year.

- Office expenses of $231,518 (2017 - $8,500) increased as a result of increased expenses required to run the Company subsequent to the acquisitions made in Q4 2017 and Q2 2018.

- Professional fees of recovery of $6,477 (2017 - $194,824) increased as a result of reclassifying some of the fees to wages.

- Rent of $271,703 (2017 - $40,744) increased due to rentals and leases assumed during the acquisitions made in Q4 2017 and Q2 2018.

- Share-based compensation of $4,428,770 (2017 – recovery of $84,402) increased as a result of stock options granted during the year.

- Travel of $70,307 (2017 - $48,591) increased primarily as a result of more trips taken during the current year relating to new operations.

- Wages of $634,909 (2017 - $132,458) increased due to new operations in the current year.

- Impairment of goodwill of $Nil (2017 - $2,252,495) is associated with the acquisition of CL2G operations in the previous year.

- Impairment of intangible asset of $11,712,000 (2017 - $Nil) is related to Bloomera’s intangible asset acquired during the year.

- Provision of $4,800,000 (2017 - $Nil) is related to fees paid for several consulting agreements that were entered into in the current year for which the ability and intent of the service providers to fulfil their obligations is uncertain.

- Transaction costs of $Nil (2017 - $77,029) decreased as a result of the acquisition of CL2G operations in the previous year.

LIQUIDITY AND CAPITAL RESOURCES

As of October 31, 2018, the Company had a cash position of $362,810, compared to $3,379,856 as at October 31, 2017, representing a decrease of $3,017,046. As of October 31, 2018, the Company had a working capital of $280,728 compared to a working capital of $2,536,539 as at October 31, 2017.

During the period from November 1, 2017 to February 28, 2019, the Company:

i) completed the first tranche of a brokered private placement of units, with Haywood Securities Inc. acting as lead agent. In connection with completion of the brokered placement, the Company issued 3,581,300 units at a price of $1.25 per unit for aggregate gross proceeds to the Company of $4,476,625. The Company also completed a concurrent non-brokered private placement of 4,042,000 units at a price of $1.25 per unit for additional gross proceeds to the Company of $5,052,500. The aggregate gross proceeds to the Company was $9,529,125. Of the proceeds raised, $3,000,000 was concurrently paid as consulting fees which have been included in provision for prepaid expense in the consolidated statements of comprehensive loss.

Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share of the Company at a price of $1.50 per a period of 24 months, subject to acceleration in the event that the closing price of the Company's common shares on the Canadian Securities Exchange is greater than $2.75 for a period of ten consecutive trading days.

In connection with the brokered placement, the Company paid a commission of $1,558,130, of which $932,953 was issued in 746,362 units at a deemed price per unit of $1.25 and $625,177 was paid in cash, and issued to the agent 1,114,090 compensation options (valued at $1,055,100). Each compensation option entitles the holder to acquire a common share of the Company at a price per common share of $1.25 for a period of 24 months from the closing of the offering. As additional compensation, the Company paid to the agent a corporate finance fee equal to $80,000 in the form of 64,000 units and issued to the agent 64,000 corporate finance compensation options (valued at $60,600), having the same terms and attributes as the compensation options. In addition, the Company incurred share issuance costs of $111,400.

In connection with the non-brokered placement, the Company paid finders' fees of $300,000, issued 128,000 finder's units at a value of $160,000 and incurred additional share issue costs of $1,000. Each finder's unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share of the Company at a price of $1.25 per a period of 24 months, subject to acceleration in the event that the closing price of the Company's common shares on the Canadian Securities Exchange is greater than $2.75 for a period of ten consecutive trading days.

ii) issued 15,000 convertible debenture units at a price of $1,000 per debenture unit, for aggregate gross proceeds to the Company of $15,000,000.

Each debenture unit consists of an unsecured convertible debenture of the Company in the principal amount of $1,000 and 690 warrants. The debentures are convertible at the option of the holder into common shares at a price of $1.45 per share, bear an interest rate of ten percent per annum and mature 24 months after the date of issue.

iii) completed an additional tranche of its brokered private placement of units, with Haywood Securities Inc. acting as lead agent. In connection with completion of this tranche of the brokered placement, the Company issued 1,440,000 units at a price of $1.25 per unit for gross proceeds of $1,800,000.

Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share of the Company at a price of $1.50 per share for a period of 24 months, subject to acceleration in the event that the closing price of the Company's common shares on the Canadian Securities Exchange is greater than $2.75 for a period of ten consecutive trading days

In connection with this tranche of the brokered placement, the Company paid a commission of $144,000, which was satisfied through the issuance of 115,200 units and 115,200 compensation options (valued at $113,100). Each compensation option entitles the holder to acquire a common share of the Company at a price per common share of $1.25 for a period of 24 months from the date of issuance.

iv) completed an additional tranche of its non-brokered private placement of units. In connection with the completion of this tranche of the non-brokered placement, the Company issued an additional 84,000 units at a price of $1.25 per unit for gross proceeds of $105,000.

Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share of the Company at a price of $1.50 per share for a period of 24 months, subject to acceleration in the event that the closing price of the Company's common shares on the Canadian Securities Exchange is greater than $2.75 for a period of ten consecutive trading days.

In connection with this tranche of the non-brokered placement, the Company paid a commission of $8,400, which was satisfied through the issuance of 6,720 units and 6,720 compensation options (valued at $6,500). Each compensation option entitles the holder to acquire a common share of the Company at a price per common share of $1.25 for a period of 24 months from the date of issuance.

v) completed a non-brokered private placement for 11,504,937 units at a price of $0.70 per unit, for aggregate gross proceeds of $8,053,456. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share of the Company at a price of $0.90 per share for a period of 36 months from the date of issuance. The Company paid $31,738, issued 460,540 finder’s units (valued at $322,378) and issued 502,330 compensation options (valued at $267,800) as finder’s fees. The compensation options are subject to the same terms and conditions as the warrants in the subscribers units. Of the proceeds raised, $2,000,000 was concurrently paid as consulting fees which have been included in provision for prepaid expense in the consolidated statements of comprehensive loss

vi) issued an additional 392,857 units at a price of $0.70 per unit, for aggregate gross proceeds of $275,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share of the Company at a price of $0.90 per share for a period of 36 months from the date of issuance, subject to accelerated in the event the closing price of the Company’s common shares on the Canadian Securities Exchange is greater than $2.00 for a period of ten consecutive trading days. Finder’s fees of 17,500 units (valued at $12,250) and 17,500 compensation options (valued at $9,000) were issued to an eligible finder.

GOING CONCERN

The consolidated financial statements for the year ended October 31, 2018, on www.sedar.com, have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. As of October 31, 2018, the Company had not yet achieved profitable operations and had accumulated a deficit of $36,052,473 (October 31, 2017 – $5,584,610) and had a working capital of $280,728 (October 31, 2017 – $2,536,539). The Company expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. If the Company should be unable to continue as a going concern, realization of its assets and settlement of its liabilities in other than the normal course of the business may be at amounts significantly different from those in the consolidated financial statements. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business when they come due.

TRANSACTIONS WITH RELATED PARTIES

During the years ended October 31, 2018 and 2017, we entered into the following transactions with related parties:

Key management personnel compensation comprised of the following:

	For the Year Ended October 31, 2018	2017
Management fees to the CEO, included in wages	$ 240,000	$ -
Management fees to a company with a common director	120,000	86,000
Professional fees to the CFO	80,196	26,400
Professional fees to the corporate secretary's company	36,000	6,000
Rent fees to the corporate secretary's company	45,000	1,850
	$ 521,196	$ 120,250

During the year ended October 31, 2018, the Company paid interest of $11,902 to key management and other related companies relating to the loans payable.

As at October 31, 2018, accounts payable and accrued liabilities include $22,368 (2017 - $14,400) owing to three companies with common officers and a director. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

Share-based compensation includes stock options granted to directors and officers recorded at a fair value of $1,370,734 (2017 - $Nil).

DIRECTORS AND OFFICERS

Our Board of Directors is as follows:

Anton J. Drescher
Hendrik van Alphen
Jorge Bonet
Chris Alvin Bechtel
George Robinson

Our officers are:

George Robinson	President, Chief Executive Officer
David Cross	Chief Financial Officer
Marla Ritchie	Corporate Secretary

SHARE CAPITAL

Our authorized share capital consists of an unlimited number of common shares without par value. As of February 28, 2019, the total number of issued and outstanding common shares is 113,084,720 common shares.

At February 28, 2019, there were 10,404,205 shares held in escrow.

As at February 28, 2019, the following stock options were outstanding:

Expiry Date	Exercise Price ($)	Number of options
October 2, 2020	$1.25	1,980,000
November 14,2020	$0.65	1,270,000
October 25, 2022	$0.90	2,430,000
		5,680,000

As at February 28, 2019, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price ($)	Number of warrants
February 28, 2020	$1.50	17,766,633
February 28, 2020	$1.50	810,362
February 28, 2020	$1.25	1,306,090
March 12, 2020	$1.50	1,440,000
March 12, 2020	$1.50	115,200
March 12, 2020	$1.25	115,200
March 28, 2020	$1.50	84,000
March 28, 2020	$1.50	6,720
March 28, 2020	$1.25	6,720
September 4, 2020	$3.49	57,206
July 11, 2021	$0.90	10,988,270
July 11, 2021	$0.90	962,870
July 13, 2021	$0.90	392,857
July 13, 2021	$0.90	35,000
		34,087,128

CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING POLICY PRONOUNCEMENTS

Please refer to the October 31, 2018 consolidated financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Our cash and reclamation bond are exposed to credit risk, the maximum exposure being their carrying amounts on the statements of financial position. We reduce our credit risk on cash and reclamation bond by placing these instruments with institutions of high credit worthiness. As at October 31, 2018, the Company is exposed to credit risk with respect to trade receivables from consulting revenue and has provided an allowance in the amount of $350,856.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rate. We do not believe we are exposed to significant currency risk as funds are held in Canadian currency and there are no significant foreign exchange currency transactions.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to the risk that the value of financial instruments will change due to movement in market interest rates. We do not hold interest-bearing debt with long-term maturities and therefore do not believe that interest rate risk is significant. We do not use derivative instruments to reduce our interest rate risk as our management believes that the likely financial impact of interest rate changes does not justify using derivatives.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting obligations associated with financial liabilities. As at October 31, 2018, we had a working capital of $280,728 (October 31, 2017 - $2,536,539). We address our liquidity risk through equity financing obtained through the sale of common shares and loans from shareholders.

Fair Value of Financial Instruments

Our financial instruments consist of cash, other receivables, reclamation bond, accounts payable and accrued liabilities, and shareholder loans. The fair values of these financial instruments approximates their carrying values.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As at October 31, 2018 and 2017, we did not have any financial instruments carried at fair value on the statements of financial position.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

ADDITIONAL INFORMATION

Additional information relating to our company is available on SEDAR at www.sedar.com.