PACTON GOLD INC.
Management Discussion and Analysis
For the Year Ended November 30, 2018

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the years ended November 30, 2018 and 2017 contains forward-looking information, including forward-looking information about Pacton Gold Inc.'s (the "Company" or "Pacton") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the years ended November 30, 2018 and 2017 should be read in conjunction with the audited consolidated financial statements for the years ended November 30, 2018 and 2017, which are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. The following information is prepared as at March 29, 2019. The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Additional information related to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.pactongold.com.

DESCRIPTION OF BUSINESS

The Company was incorporated pursuant to the British Columbia *Business Corporations Act* on December 15, 2010. On July 17, 2012, the Company's stock was listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "NX". On April 27, 2017, the Company changed its name to Pacton Gold Inc. and began trading under the symbol "PAC". The Company's shares also trade on the OTC Exchange in the United States under the symbol "PACXF" and on the Frankfurt Stock Exchange under the symbol "2NKN".

The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties, with a focus on gold.

EXPLORATION PROJECTS – AUSTRALIA

<u>Pilbara Project</u>

CTTR Gold Pty. Ltd. ("CTTR")

On March 20, 2018, the Company entered into a share purchase agreement to acquire 100% of the issued and outstanding shares of CTTR, an Australian proprietary limited company. CTTR holds applications to nine tenement licenses for a mineral property group in the Pilbara Region of Western Australia.

Under the terms of the share purchase agreement, the Company can acquire 100% of the issued and outstanding shares of CTTR by:

- Paying a $25,000 non-refundable deposit (paid);
- Paying $75,000 (paid) and issuing 916,666 common shares (issued and valued at $238,333) of the Company and 458,333 share purchase warrants (issued and valued at $64,545). Each warrant is exercisable into one additional

common share of the Company for a period of 18 months from the date of issue at a price of $0.45, upon acceptance of the transaction by the TSX-V (issued on March 29, 2018); and

- Paying $50,000 (paid) and issuing 416,666 common shares (issued and valued at $270,833) of the Company and 208,333 share purchase warrants (issued and valued at $72,034). Each warrant is exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price to be determined at the date of grant, upon the grant of at least six exploration licenses.

The Company also issued 156,250 common shares valued at $40,625 as a finder's fee on the transaction.

The acquisition of CTTR has been accounted for as an acquisition of assets and liabilities as CTTR does not meet the definition of a business under IFRS 3. The acquisition of the net assets of CTTR was recorded at the fair value of the consideration transferred of $836,370 as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Arrow (Pilbara) Pty. Ltd. ("Arrow Pilbara")

On May 11, 2018, the Company entered into a share purchase and option agreement whereby the Company could earn up to an 80% interest in Arrow Pilbara, an Australian proprietary limited exploration company. Arrow Pilbara holds two granted tenement licenses and two applications for licenses in the Pilbara Region of Western Australia. Under the terms of the agreement, the Company was required to make cash payments and issue common shares and common share purchase warrants of the Company to acquire a 51% interest in Arrow Pilbara as follows:

- Issue 1,086,957 common shares (issued and valued at $695,652) and 1,086,957 common share purchase warrants (issued and valued at $583,761) exercisable into one share at $0.35 for three years and pay $500,000 (paid $300,000, with remaining due upon grant of applications).

To acquire a further 29% interest in Arrow Pilbara, the Company was required to:

- Pay $250,000 or an equivalent number of common shares based on the five-day trailing volume-weighted average price at the time of issue, subject to a floor price of no lower than $0.19 per common share; and
- Fund exploration expenditures up to a maximum of $500,000.

The vendor retains a right to explore for, mine and extract lithium, caesium and tantalum from the property.

A discovery bonus of $500,000 cash is payable if the Company reports a National Instrument ("NI") 43-101-defined "measured mineral resource" or "inferred mineral resource" of at least 100,000 ounces of gold on the property.

The Company also issued 227,941 common shares valued at $58,125 as a finder's fee on the transaction.

The acquisition of 51% of Arrow Pilbara has been accounted for as an acquisition of assets and liabilities as Arrow Pilbara does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Arrow Pilbara was recorded at the fair value of the consideration transferred of $1,637,538 as detailed above. The net assets acquired were as follows:

Net Assets Acquired		
Exploration and evaluation assets	$	3,210,860
Non-controlling interest		(1,573,322)
	$	1,637,538

On August 20, 2018, the Company entered into a share purchase agreement to acquire the remaining ownership interest in Arrow Pilbara. Under the terms of the agreement, the Company will acquire the remaining 49% ownership interest in Arrow Pilbara that it does not already own by paying $1,000,000 (paid) and issuing 2,000,000 common shares (issued and valued at $820,000).

The purchase of the remaining 49% interest was accounted for as follows:

Acquisition of 49% Interest		
Additional consideration paid	$	1,820,000
Elimination of non-controlling interest		(1,573,322)
Loss on acquisition	$	246,678

Drummond East Pty. Ltd. ("Drummond East")

On August 15, 2018, the Company entered into a share purchase agreement to acquire a 100% interest in Drummond East, an arm's length Australian exploration company wholly owned by Impact Minerals Ltd. ("Impact"). Drummond East holds seven granted tenement licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company paid Impact a total of $350,000 and issue to Impact 2,125,000 common shares of the Company valued at $860,625.

In addition, the Company will pay a bonus to Impact of $500,000 if the Company publishes measured, indicated or inferred gold resources of more than 250,000 ounces on the property. The Company will grant Impact a 2% net smelter royalty ("NSR") in respect of the property on standard industry terms to be agreed between the parties. The parties agree that the Company shall, at all times, retain an exclusive and unlimited right to purchase 50% of the NSR back from Impact for $500,000.

The Company paid a finder's fee of 291,875 common shares (issued and valued at $145,938).

The acquisition of Drummond East has been accounted for as an acquisition of assets and liabilities as Drummond East does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Drummond East was recorded at the fair value of the consideration transferred of $1,356,563 as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Friendly Creek

On August 11, 2018, the Company entered into a tenement sale agreement to acquire 100% of the Friendly Creek exploration license and mining leases in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company will purchase a 100% interest in Friendly Creek by paying the vendors a total of $25,000 (paid) and issuing to the vendors 2,500,000 common shares of the Company (issued on March 15, 2019 and valued at $562,500).

Yandicoogina and Boodalyerrie

On September 25, 2018, the Company entered into a tenement sale agreement to acquire 100% of both the Yandicoogina and Boodalyerrie exploration licences and mining leases from Gardner Mining Pty. Ltd. ("Gardner Mining"), an Australian proprietary limited exploration company.

Under the terms of the agreement, the Company will purchase a 100% ownership interest in projects by paying Gardner Mining $25,000 (paid) and issuing to Gardner Mining 3,000,000 common shares of the Company (issued on March 8, 2019 and valued at $720,000).

Golden Palms Project

On November 5, 2018 the Company entered into a tenement sale agreement to acquire the Golden Palms tenement license in Western Australia.

Under the terms of the agreement, Pacton can purchase 100% of the property by paying a total of $100,000 ($50,000 paid) and issuing 400,000 common shares on completion of the transaction.

Hong Kong Project

On November 23, 2018, the Company entered into a tenement sale agreement to acquire a 70% interest in the Hong Kong project from Clancy Exploration Ltd. ("Clancy"), an Australian Securities Exchange-listed exploration company.

Under the terms of the agreement, the Company can purchase a 70% interest in the Hong Kong project by paying Clancy $175,000 (paid on December 10, 2018) and issuing to Clancy 3,780,613 common shares of the Company (issued on December 10, 2018 and valued at $1,323,215). In addition, the Company paid a $25,000 deposit included in prepaid expenses at November 30, 2018.

Upon completion of the acquisition, the Company and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong project. A minimum of $520,000 AUD must be spent by the Company within two years of completion of the transaction. Clancy will be free carried with respect to expenditures until a decision to mine is made unanimously by both parties.

The Company also issued 300,000 common shares valued at $82,500 as a finder's fee on December 10, 2018.

Keras Project

On October 18, 2018, the Company entered into a grant of gold rights agreement to acquire the conglomerate gold rights of Calidus Resources Ltd. ("Calidus") in both the Marble Bar sub basin and the northeast Pilbara sub basin of Western Australia's Pilbara craton.

Under the terms of the agreement, the Company will acquire the gold rights by issuing Calidus or its nominees 7,000,000 common shares of the Company (issued on December 5, 2018 and valued at $1,925,000). The agreement includes a right to deferred compensation whereby Calidus may receive up to 3,000,000 additional common shares of the Company on October 18, 2019 based on the 30-day volume weighted average price of the Company's common shares on the date of such issuance. In addition, the Company paid a $10,000 deposit included in prepaid expenses at November 30, 2018.

Exploration on the Pilbara Project

On October 15, 2018, the Company announced that an advanced team of reconnaissance prospectors collected gold nuggets from six locations on Pacton's Friendly Creek tenements. The gold nuggets were located in weathered material overlying a package of unclassified Mesoarchean ultramafic rocks and komatiitic basalt that extends along the Friendly Creek tenements for approximately ten kilometres. The origin of the gold nuggets, which show various morphological shapes, has not yet been determined. Subject to confirmation by detailed geological mapping, it is assumed that the material has not been transported, and that the nuggets represent eluvial material that has been liberated from the underlying bedrock. This tentative interpretation is supported by the reports of historical gold workings from the same geological unit throughout the Friendly Creek tenements, and throughout Pacton's adjacent Hong Kong tenement. Massive areas of the prospective geological formation also underlie the Golden Palms tenement, which is largely unexplored.

On March 12, 2019, the Company announced the commencement of initial field work at the Yandicoogina Project. The work program is targeting high-grade, shear-hosted gold within a number of mineralization settings and will use rock chip sampling and mapping to prioritize targets for drill testing.

EXPLORATION PROJECTS – CANADA

<u>Red Lake Project</u>

On May 10, 2017, the Company entered into an option agreement to earn a 100% interest in 34 mineral claims and two mineral patents in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments of $300,000 and issue 4,200,000 common shares of the Company over a period of four years. Of that, 1,200,000 common shares of the Company were issued (valued at $168,000) and $75,000 was paid.

The vendor retained a NSR varying from 0.25% to 2.25%, of which one-half could be repurchased by the Company, at a rate of $250,000 per 0.25%.

On April 18, 2018, the Company provided notice of termination on the option agreement to the vendor. During the year ended November 30, 2018, the Company recorded an impairment of exploration and evaluation assets of $243,000 as a result of the termination.

On May 23, 2017, the Company entered into an option agreement to earn a 100% interest in 14 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 300,000 common shares of the Company (issued and valued at $42,000) and pay $16,000 (paid) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $12,000 on or before May 26, 2018 (paid);
- Pay $16,000 on or before May 26, 2019; and
- Pay $26,000 on or before May 26, 2020.

The claims are subject to an underlying 2% NSR.

On May 23, 2017, and as amended November 23, 2017 and June 14, 2018, the Company entered into an additional option agreement to earn a 100% interest in 30 additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 2,500,000 common shares of the Company within five days of approval by the TSX-V, which was received on May 26, 2017 (issued and valued at $350,000);
- Pay $20,000 on or before June 30, 2018 (paid);
- Pay $80,000 on or before January 31, 2019 (paid on January 25, 2019); and
- Pay $150,000 on or before May 26, 2019.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for $1,500,000.

On November 1, 2018, the Company entered into an option agreement to earn a 100% interest in 12 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $15,000 on or before November 6, 2018 (paid);
- Pay $15,000 (paid on December 4, 2018) and issue 100,000 common shares of the Company within five days of approval by the TSX-V, which was received November 19, 2018 (issued and valued at $25,500);
- Pay $40,000 and issue 75,000 common shares of the Company on or before November 19, 2019; and
- Pay $40,000 and issue 75,000 common shares of the Company on or before November 19, 2020.

The vendors retain a NSR that ranges from 0.25% to 2.25%, of which one-half can be repurchased by the Company for $250,000.

On January 29, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company issued 192,310 common shares on February 6, 2019 valued at $48,077. The claims are subject to a NSR ranging from 0.25% to 2.25%, of which a portion can be repurchased by the Company for $250,000.

On January 31, 2019, the Company announced that it has commenced a high-resolution heliborne magnetic survey over its claims in Red Lake. This is the initial step in order to prioritize upcoming drill targets as part of an aggressive exploration strategy going forward in this prospective area.

On February 12, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company paid $15,000 and on February 28, 2019 issued

75,000 common shares valued at $19,125. The claims are subject to a 2% NSR, of which one-half can be repurchased by the Company for $200,000.

On February 20, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $30,000 on behalf of the vendor for exploration expenditures;
- Issue 125,000 common shares of the Company within five days of approval by the TSX-V, which was received March 5, 2019 (issued on March 6, 2019 and valued at $31,250);
- Pay $50,000 and issue 100,000 common shares of the Company on or before March 5, 2020; and
- Pay $50,000 and issue 125,000 common shares of the Company on or before March 5, 2021.

The claims are subject to a 0.25% to 1.75% NSR, of which a portion can be repurchased by the Company at a rate of $250,000 for each 0.25% portion that is repurchased.

On March 13, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $40,000 on behalf of the vendor for exploration expenditures;
- Issue 100,000 common shares of the Company within five days of approval by the TSX-V, which was received March 21, 2019 (issued on March 22, 2019 and valued at $23,000);
- Pay $50,000 and issue 100,000 common shares of the Company on or before March 21, 2020; and
- Pay $50,000 and issue 125,000 common shares of the Company on or before March 21, 2021.

The claims are subject to a 2.5% NSR, of which a one-half can be repurchased by the Company for $2,000,000.

<u>Tully West Gold Property</u>

On January 16, 2017, the Company entered into an option agreement to earn a 100% interest in the Tully West Gold Property, located in Ontario. On January 18, 2018, certain terms were amended. Under the terms of the amended agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 1,300,000 common shares of the Company (issued on January 25, 2017 and valued at $117,000) and pay $25,000 (paid) within five days of approval by the TSX-V, which was received January 25, 2017;
- Issue 1,300,000 common shares of the Company on or before January 25, 2018 (issued on January 25, 2018 and valued at $390,000);
- Pay $80,000 on or before February 15, 2018 (paid); and
- Issue 1,300,000 common shares of the Company (issued on July 24, 2018 and valued at $793,000) and pay $110,000 (paid) on or before January 25, 2019.

The Company completed an equity financing for gross proceeds in excess of $1,000,000 (excluding flow-through proceeds), so the January 25, 2019 common share and cash payments were accelerated.

On December 12, 2018, the agreement was amended to extend the exploration expenditure deadlines. The Company is required to pay an additional $10,000 on or before January 12, 2019 (paid subsequent to November 30, 2018).

The Company must now incur exploration expenditures as follows:

- $250,000 on or before January 16, 2018 (incurred);
- An additional $500,000 on or before January 25, 2020; and
- An additional $500,000 on or before January 25, 2021.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for an aggregate $1,000,000.

On June 21, 2017, the Company announced assay results from the first two drill holes from its reconnaissance exploration program on the Tully West Gold Project. Four holes totaling 1,149 metres (or “m”) were drilled. Step out drilling in 2013 by SGX Resources Inc. ("SGX") encountered high-grade gold mineralization in drill hole #13-38, which intersected 36.7 g/tonne (or "g/t") Au (uncut) over 6.3 metres, 185 metres vertically below surface. This intercept occurred approximately 300 metres west of the previously established limits of the Tully Gold Deposit. Coarse visible gold was observed in the drill hole within a broad zone of mineralized quartz and carbonate veining within the host altered volcanic tuff, identical to the main Tully Deposit to the east.

The drill campaign was designed to initially validate historical intercepts with step out holes to the east and west, and to also confirm continuity of mineralization. The first two drill holes successfully identified nine disparate auriferous en echelon vein systems and validated the historical intercepts and the presence of a gold system at depth.

The first drill hole, PAC-17-01, was spotted approximately 4.0 m south of drill hole SGX-13-38 and was designed to twin the previous drill hole. Drill hole PAC-17-01 encountered multiple en echelon auriferous quartz carbonate vein zones hosted within a mafic tuff dipping approximately 60 degrees north (see table below). Positive drill results from PAC-17-01 yielded 6.75 g/t Au over 0.8 m from 145.0 m to 145.8 m and 3.97 g/t Au over 0.5 m from 220.0 m to 220.5 m (see table below).

PAC-17-01	From (m)	To (m)	Width (m) *	Vertical Depth (m)	Grade g/t Au
	100.5	102.0	1.5	85	2.43
	110.0	111.0	1.0	93	1.30
	119.0	121.3	2.3	100	1.66
	145.0	**145.8**	**0.8**	**122**	**6.75**
	150.0	150.5	0.5	127	1.53
	154.0	154.6	0.6	130	1.60
	220.0	220.5	0.5	185	3.97
	225.4	226.9	1.5	188	1.77
	367.1	368.0	0.9	304	1.23

*Drilled widths are currently reported. True widths are not known at this time.

Drill hole PAC-17-02 was spotted and drilled 25 metres east of PAC-17-01 and encountered 5.55 g/t Au over 2.5 m from 98.0 m to 100.5 m, including 18.3 g/t Au over 0.7 m from 98.8 m to 99.5 m. As with drill hole PAC-17-01, the second drill hole, PAC-17-02, also intersected stacked multiple en echelon quartz carbonate vein systems hosting gold.

PAC-17-02	From (m)	To (m)	Width (m) *	Vertical Depth (m)	Grade g/t Au
	76.7	78.1	1.4	63	1.28
	98.0	100.5	2.5	82	5.55
"including"	**98.8**	**99.5**	**0.7**	**81**	**18.3**
	101.7	102.6	0.9	85	2.60
	162.0	170.0	8.0	140	0.95
"including"	164.0	165.0	1.0	137	2.54
"including"	168.0	170.0	2.0	140	1.16
	194.5	195.0	0.5	162	2.29
	225.0	226.0	1.0	187	2.40
	231.6	232.1	0.5	193	1.82
	339.8	347.6	7.8	296	0.43
	377.5	378.0	0.5	325	2.0

*Drilled widths are currently reported. True widths are not known at this time.

Drill hole PAC-17-03 deviated and was terminated at 216 metres in the ultramafic footwall. This hole did, however, encounter a quartz carbonate vein system with appreciable sulphides from 102.6 to 109.8 metres and returned an intercept of **0.70 g/t Au over 7.2 metres**. Drill hole PAC-17-04 was collared approximately 2 metres north of PAC-17-03 and encountered the favourable stratigraphy (mafic tuff) hosting auriferous quartz carbonate veins, with an intercept from 98.5 to 101.0 metres of **0.56 g/t Au over 2.5 metres**. The drill hole, however, was terminated early at 114 metres after intersecting an impenetrable sand seam. The program was concluded at this point based upon budgetary considerations.

The host volcanic tuff unit is readily detectible by geophysics and has been traced for over 2,000 m in both eastern and western directions away from the main deposit. The Tully Deposit is interpreted to be a series of auriferous shallow dipping (extensional or ladder) stacked vein sets within a subvertical competent mafic tuff host that is bounded by ultramafic volcanic rocks to the south and sediments to the north. This host sequence of rocks all lie within a regional east-west fault corridor, a northern splay from the Porcupine-Destor Fault. The Tully Gold Deposit has been drilled over a 1,000 m strike length to date, and to depths of over 600 m, remaining open along strike and to depth. The Creighton property, which is the western extension of the Tully Deposit, currently possesses an additional 480 m striking to the southwest of the current drilling to the southern claim boundary.

This program was carried out under the supervision of Peter Caldbick, P.Geo., of Pacton Gold Inc., the qualified person responsible for the technical information presented above.

The drill core was split with half sent to an accredited laboratory, Actlabs in Timmins, Ontario, and fire assayed with an AA and gravimetric finish. Whole metallic assays are performed on samples containing visible gold. Check assays were also performed on pulps and rejects, as well, blanks and standards were inserted into the sample stream for QA/QC purposes.

OTHER EXPLORATION PROJECTS

Lincoln Property

On April 21, 2016, and as amended June 15, 2016, the Company entered into an option agreement to acquire a 100% interest in the Lincoln Property, a lithium project in Nevada. Consideration for the option is as follows:

- Issue 1,500,000 common shares to the optionor upon acceptance of the transaction by the TSX-V (issued on July 4, 2016 and valued at $195,000); and
- Cash payment of $50,000 within five days of acceptance by the TSX-V (paid).

At November 30, 2016, the Company determined that the value of the property was impaired. The property was written down to $100,000. On January 1, 2017, and as amended on July 11, 2017 and March 14, 2018, the Company reached an agreement to sell the property for $100,000. The sale price was amended to $40,000 on May 29, 2018 and payment was received. The remaining balance of $60,000 was written off and included in impairment of exploration and evaluation assets.

Carpenter Lake Property

On May 28, 2013, the Company entered into an agreement to acquire a 100% interest in 34 mineral claims located in the Athabasca Basin Region of northern Saskatchewan. Consideration for the acquisition was the issuance of 200,000 common shares (issued and valued at $380,000). The Company paid a finder's fee of 10,000 common shares (issued and valued at $19,000).

The property was subject to a 5% NSR. The NSR could be reduced to a minimum of 2% at the option of either the vendors or the Company in exchange for the issuance of 100,000 common shares for each percentage point bought back (the “Royalty Buyback").

Pursuant to an amending agreement dated June 21, 2013, the Company agreed to file a NI 43-101 Report on or before July 1, 2014 as a condition for approval from the TSX-V to exercise the Royalty Buyback. Failure to receive approval would give the vendors of the property the right to purchase the property for the sum of $200,000 commencing July 1, 2014 for a period of 180 days.

On January 13, 2014, the Company granted an option to Alpha Exploration Inc. (TSX-V: AEX) ("Alpha") to earn a 60% interest in the Company's Clearwater/Carpenter Lake Property. Under the terms of the agreement, Alpha was required to make cash and share payments as follows:

- Cash payment of $12,500 upon approval of the agreement by the TSX-V (received);
- Issuance of 100,000 common shares within 10 days of approval by the TSX-V (received and valued at $59,000);
- Cash payment of a total of $37,500 and issuance of a total of 300,000 common shares over a three year period ending on the third anniversary of approval by the TSX-V; and
- 1,250,000 in exploration expenditures on the property over a three year period ending on the third anniversary of approval by the TSX-V.

On November 6, 2014, Alpha provided the Company with its Notice of Exercise on the option to earn a 60% interest in the Clearwater/Carpenter Lake Property. The Company received the $37,500 in cash payments due from the first through third anniversaries and the 300,000 common shares (valued at $27,000). A joint venture was formed between Alpha (60%) and Pacton (40%) for the further development of the property, with Alpha serving as the operator.

The property was then subject to a 2% NSR, which was owed to the original vendors (the "Underlying NSR"). The Underlying NSR rate was reduced from 5% to 2% by Pacton through the issuance of 300,000 common shares of the Company on October 27, 2014 (valued at $90,000).

At November 30, 2016, the property was written down to $226,000. At November 30, 2018, the property was written off and included in impairment of exploration and evaluation assets.

Birch Gold Project

On March 10, 2017, the Company entered into an option agreement to earn a 100% interest in the Birch Gold Property, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 900,000 common shares of the Company within five days of approval by the TSX-V, which was received on March 22, 2017 (issued and valued at $81,000);
- Pay $75,000 by April 21, 2017 (paid); and
- Issue a further 3,600,000 common shares of the Company and pay a further $300,000 over a four-year period ending March 22, 2021.

The Company was also required to incur exploration expenditures of $1,300,000 over a four-year period ending March 22, 2021. The property was subject to a 2% NSR.

On March 10, 2017, the Company entered into an option agreement to earn a 100% interest in the Uchi Gold Property, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 250,000 common shares of the Company within five days of approval by the TSX-V, which was received on March 22, 2017 (issued and valued at $22,500);
- Pay $15,000 by April 21, 2017 (paid); and
- Issue a further 1,000,000 common shares of the Company and pay a further $60,000 over a four-year period ending March 22, 2021.

The vendor retained a 2.5% NSR, of which two-fifths (1%) could be repurchased by the Company for $1,000,000 within 180 days of a public announcement of a positive feasibility study on the project.

The Company determined it would not make option payments due on March 22, 2018. An impairment charge of $211,820 was recognized in net loss for the year ended November 30, 2017.

Duxbury Property

On June 28, 2016, and as amended March 10, 2017, the Company entered into an option agreement to acquire a 100% interest in the Duxbury Property, a lithium project in Quebec. Consideration for the option was the issuance of 1,000,000 common shares to the optionor within five days of acceptance of the transaction by the TSX-V (issued on July 5, 2016 and valued at $130,000). The vendor retained a 2% NSR, of which the Company may repurchase one-half (1%) for $1,000,000.

At November 30, 2017, the Company determined it would not continue exploration of the Duxbury Property. An impairment charge of $150,448 was recognized in net loss for the year ended November 30, 2017.

<u>Corning Creek Property</u>

On April 20, 2011, and as amended December 31, 2011, the Company entered into an option agreement to acquire a 100% interest in the mineral claims comprising the Corning Creek Property, except for mineral claim 831925, subject to a 2% NSR. Consideration for the option was as follows:

- Cash payment of $35,000 (paid) within 10 days of the Company's shares being listed on the TSX-V (July 17, 2012); and
- Issue 20,000 common shares (issued and valued at $40,000).

The Company had the sole and exclusive option to purchase the NSR at a purchase price of $1,000,000 for each percentage point bought back during the five-year period commencing from the date upon which the property is put into commercial production.

On June 29, 2011, the Company entered into an option agreement to earn a 100% interest in mineral claim 831925, which forms part of the Corning Creek Property. Consideration for the option was a cash payment of $5,000 (paid) within 10 days of the Company's shares being listed on the TSX-V.

The option agreement was subject to a 3% NSR. The Company could acquire the first 2% of the NSR by paying $500,000 for each percentage point bought back. The final 1% could be purchased, for a negotiated amount, after commercial production commences.

During the year ended November 30, 2014, the Corning Creek Property was deemed to be impaired and written down to $1. During the year ended November 30, 2017, the Corning Creek Property was written down to $nil.

RESULTS OF OPERATIONS

Year Ended November 30, 2018

During the year ended November 30, 2018, the Company reported a net loss of $7,065,315 (2017 - $1,649,668). The Company's loss included expenditures as follows:

- Consulting fees of $1,386,956 (2017 - $752,811) were higher due to additional consultants engaged and a reallocation of the services provided, as well as finder’s fees for acquisitions in the year;
- Management fees of $190,500 (2017 - $42,750) were higher in 2018, due to an increase in the CEO fees charged in 2018 and accrued CEO fees were forgiven in the comparative period;
- Office and miscellaneous of $279,811 (2017 - $22,691) increased due to travel costs;
- Professional fees of $447,054 (2017 - $81,076) were higher due to an increase in legal fees, primarily related to project acquisitions;
- Rent of $36,000 (2017 - $9,000) was due to rent not being charged to the Company until the last three months of 2017;
- Share-based payments of $2,654,646 (2017 - $300,629) was due to more options granted and a higher Black-Scholes fair value in 2018;
- Shareholder communications and investor relations of $1,228,555 (2017 - $4,874) was higher in 2018 due to additional services being used and promotional activities;
- Transfer agent and filing fees of $94,437 (2017 - $64,632) were higher compared to the same period in the prior year due to more acquisitions in 2018;
- Foreign exchange gain of $10,347 (2017 - $nil) resulted from the acquisition of Australian subsidiaries and the change in monetary assets and liabilities valued in Australian dollars;
- Impairment of exploration and evaluation assets of $529,000 (2017 - $362,269) was related to the termination of one of the option agreements on the Red Lake Property, the impairment of the Carpenter Lake property and the sale of the Lincoln Property in 2018, while in 2017 it was related to the termination of the Birch Gold Project and the impairment of the Duxbury property;
- Gain on settlement of accounts payable of $9,167 (2017 - loss of $7,857) was due to the value of the common shares on the date of issuance being less than the value of the accounts payable settled;

- Loss on acquisition of non-controlling interest of $246,678 (2017 - $nil) related to the acquisition of the addition 49% of Arrow Pilbara; and
- Interest income of $10,329 (2017 - $nil) was a result of cash held in a high interest savings account in 2018.

Three Months Ended November 30, 2018

During the three months ended November 30, 2018, the Company reported a net loss of $1,952,890 (2017 - $792,808). The Company's loss included expenditures as follows:

- Consulting fees of $110,998 (2017 - $230,000) were lower due to adjustments and timing of expenditures;
- Management fees of $45,000 (2017 - $22,500) were higher in 2018, due to an increase in the CEO fees charged in 2018;
- Office and miscellaneous of $117,318 (2017 - $19,525) increased due to travel costs;
- Professional fees of $180,001 (2017 - $44,688) were higher due to an increase in legal fees, primarily related to project acquisitions;
- Rent of $9,000 (2017 - $9,000) was comparable to the prior period;
- Share-based payments of $666,618 (2017 - $75,210) was due to more options granted and a higher Black-Scholes fair value in 2018;
- Shareholder communications and investor relations of $284,450 (2017 - $1,802) was higher in 2018 due to additional services being used and promotional activities;
- Transfer agent and filing fees of $30,495 (2017 - $27,544) were higher compared to the same period in the prior year due to more acquisitions in 2018;
- Impairment of exploration and evaluation assets of $226,000 (2017 - $362,269) was related to the impairment of the Carpenter Lake property in 2018 and to the termination of the Birch Gold Project and the impairment of the Duxbury property in 2017;
- Foreign exchange gain of $17,926 (2017 - $nil) resulted from the acquisition of Australian subsidiaries and the change in monetary assets and liabilities valued in Australian dollars;
- Loss on acquisition of non-controlling interest of $246,678(2017 - $nil) related to the acquisition of the addition 49% of Arrow Pilbara; and
- Interest income of $10,329 (2017 - $nil) as a result of cash held in a high interest savings account and not being held in a similar account during the prior period.

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

	November 30, 2018 $	November 30, 2017 $	November 30, 2016 $
Revenue	-	-	-
Net loss	(7,065)	(1,650)	(2,235)
Basic and diluted loss per share	(0.10)	(0.03)	(0.07)
Total assets	9,408	1,837	505
Long-term debt	-	-	-
Dividends	-	-	-

SUMMARY OF QUARTERLY RESULTS
($000s, except earnings per share)

Results for the eight most recently completed quarters are summarized as follows:

For the periods ending	November 30, 2018 $	August 31, 2018 $	May 31, 2018 $	February 28, 2018 $
Net loss	(1,889)	(2,066)	(2,463)	(648)
Loss per share	(0.02)	(0.02)	(0.04)	(0.01)

For the periods ending	November 30, 2017 $	August 31, 2017 $	May 31, 2017 $	February 28, 2017 $
Net loss	(793)	(319)	(503)	(35)
Loss per share	(0.01)	(0.01)	(0.01)	(0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $465,734 and working capital of $622,750 at November 30, 2018, compared to $121,526 of cash and $994,254 of working capital deficiency at November 30, 2017.

The Company's accounts payable and accrued liabilities at November 30, 2018 were $308,536 (2017 - $1,217,268).

The Company has taken the following measures to address working capital concerns during the 2018 fiscal period and as of the date of this MD&A:

- On March 21, 2018, the Company settled accounts payable of $550,000 by issuing 1,833,333 common shares of the Company;
- On May 8, 2018, the Company closed a private placement for gross proceeds of $5,550,500 consisting of 24,132,609 units at a price of $0.23 per unit;
- On December 14, 2018, the Company closed a private placement and issued 5,881,470 flow-through common shares at a price of $0.35 per share for gross proceeds of $2,058,515;
- The Company received $634,200 on the exercise of 5,427,000 stock options; and
- The Company received $1,350,599 on the exercise of 5,603,160 warrants and agent warrants.

The Company will need to obtain additional financing in 2019 for working capital purposes and to continue exploration on its exploration and evaluation assets.

EVENTS SUBSEQUENT TO NOVEMBER 30, 2018

On December 5, 2018, the Company granted 250,000 stock options to consultants with an exercise price of $0.24 and a term to expiry of one year.

On December 14, 2018, the Company closed a private placement and issued 5,881,470 flow-through common shares at a price of $0.35 per share for gross proceeds of $2,058,515. The Company paid share issue costs of $11,043.

Subsequent to November 30, 2018, a total of 1,700,000 stock options expired unexercised.

The Company also issued common shares in relation to property acquisitions as noted in the **Exploration Projects** section.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss and were incurred in the normal course of operations:

	Year Ended November 30, 2018	Year Ended November 30, 2017
Short-term compensation	$ 403,000	$ 95,250
Share-based compensation	602,608	16,010
	$ 1,005,608	$ 111,260

Short-term compensation was paid or accrued as follows:

- $190,500 (2017 - $nil) in management fees to a private company controlled by the interim CEO;
- $100,000 (2017 - $52,500) in professional fees to a private company in which the CFO is a director;
- $20,000 (2017 - $nil) in exploration and evaluation assets and consulting fees to a director;
- $10,000 (2017 - $nil) in exploration and evaluation assets to a director;
- $82,500 in consulting fees (2017 - $67,500 in management fees) to a private company controlled by a former director and former CEO; and
- $nil (2017 - $24,750 recovery in management fees) from a former President & CEO and a private company controlled by a former President & CEO.

Transactions with related parties are included in the amounts shown on the consolidated statements of comprehensive loss:

	Year Ended November 30, 2018	Year Ended November 30, 2017
Related company with a common officer (rent)	$ 36,000	$ 9,000

As at November 30, 2018, the Company has outstanding amounts payable to current and former officers and directors of the Company of $15,000 (November 30, 2017 - $61,375) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

As at November 30, 2018, the Company had payables of $nil (November 30, 2017 - $9,585) related to shared administrative expenses with a company related by a common officer.

COMMITMENTS

The Company is obligated to make certain payments and issue shares in connection with the acquisition of its exploration and evaluation assets.

OFF-BALANCE SHEET ARRANGEMENTS

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

FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as financial asset at fair value through profit or loss; receivables, as loans and receivables; and accounts payable and accrued liabilities, as other financial liabilities, which are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

November 30, 2018	Level 1	Level 2	Level 3	Total
Cash	$ 465,734	$ -	$ -	$ 465,734

November 30, 2017	Level 1	Level 2	Level 3	Total
Cash	$ 121,526	$ -	$ -	$ 121,526

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

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. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. Included in receivables is $384,317 (2017 - $97,772) owing from the Canada Revenue Agency and the Australian Taxation Office. All receivables have been subsequently collected. Accordingly, the Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of November 30, 2018 equal $308,536 (2017 - $1,217,268). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of November 30, 2018.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Australia and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. The Company does not hold substantial funds in a foreign currency, and only a small amount of its accounts payable and accrued liabilities is denominated in Australian dollars. A fluctuation in the exchanges rates between the Canadian and Australian dollars of 10% would result in a nominal change to the Company's cash, accounts payable and accrued liabilities and other comprehensive income. The Company does not use any techniques to mitigate currency risk.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

Capital management

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine months ended November 30, 2018. The Company is not subject to externally imposed capital requirements.

RISKS

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues following its transition to a mineral exploration and development company. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company does not anticipate paying any dividends in the near future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks, which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years, as it is affected by numerous factors that are beyond the Company's control, including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore, the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian income tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next fiscal year are included in note 5 of the consolidated financial statements.

FUTURE ACCOUNTING STANDARDS

For details of the Company's future accounting standards, including accounting standards not yet adopted and accounting standards amended but not yet effective, please refer to note 4 of the Company's audited consolidated financial statements.

DISCLOSURE OVER INTERNAL CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no significant changes to the Company's internal control environment during the year ended November 30, 2018 that would have materially affected the Company's internal controls over financial reporting.

The Company's certifying officers concluded that the Company's internal disclosure controls and procedures are effective and sufficient to execute its business plan.

OUTSTANDING SHARE INFORMATION

	March 29, 2019	November 30, 2018	November 30, 2017
Common shares	125,190,519	102,236,126	55,318,669
Warrants	25,604,232	25,604,232	5,411,333
Agent warrants	1,447,956	1,447,956	221,227
Stock options	5,300,000	6,750,000	5,377,000
Fully diluted shares	157,542,707	136,038,314	66,328,229