PPX Mining Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operation

For the years ended September 30, 2018 and 2017

This Management's Discussion and Analysis ("MD&A") is intended to assist the reader in understanding and assessing the trends and significant changes in the results of operations and financial condition of PPX Mining Corp. ("PPX" or the "Company"). This MD&A should be read in conjunction with the audited consolidated financial statements of the Company, including the notes thereto, for the years ended September 30, 2018 and 2017 (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. This MD&A has taken into account information available up to and including January 25, 2019. All dollar amounts are in Canadian dollars unless otherwise stated.

As at September 30, 2018, the Company has cash of $455,430 and negative working capital of $821,998. Subsequent to September 30, 2018, the Company received $1,425,000 proceeds of the first tranche of a private placement announced on December 6, 2018 (refer below to "Fiscal 2018 Highlights" for more details on the financing). While the Company has enough funds to allow it to continue its planned activities in the normal course, the Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties. If the Company is unable to raise additional capital in the future and/or attracting joint venture partners for further exploration and development on its properties, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern beyond September 30, 2019.

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of PPX to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of PPX should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

BUSINESS OVERVIEW

PPX Mining Corp. (TSX.V: PPX.V, SSE: PPX, BVL: PPX) is a Canadian-based exploration and development company with assets in northern Peru. The Igor Project, the Company's flagship 100% owned property, comprises four concessions of about 1,300 hectares and is located in the prolific Northern Peru gold belt in eastern La Libertad Department. The Igor Project includes the Callanquitas structure (the "Igor 4 concession"), where the Company completed an underground test-mining and bulk-sampling program, announced the results of the pre-feasibility study ("PFS") and is building a heap leach processing plant, as well as three exploration targets: Portachuelos, Tesoros, and Domo.

On December 4, 2018 the Company announced the results of an independent PFS for the 100% owned Igor 4 concession. The PFS results include proven and probable reserves of 1.03 million tonnes grading 4.10 gpt gold (136,000 ounces of gold) and 104.08 gpt silver (3.445 million ounces of silver), or 154,000 gold equivalent ("AuEq") ounces at a grade of 4.66 gpt AuEq. Total measured and indicated resources for the Igor 4 concession (inclusive of reserves) are 1.47 million tonnes grading 4.72 gpt gold (223,000 ounces gold) and 109.5 gpt silver (5.18 million ounces Ag) equal to 246,000 AuEq ounces (5.21 gpt AuEq). Inferred resources totaled 0.613 million tonnes, grading 3.91 gpt gold (77,0000 ounces gold), and 139.7 gpt silver (2.75 million ounces of silver) equal to 89,000 AuEq ounces. The 43-101 report can be viewed on SEDAR at ww.sedar.com or on the Company's web site at www.ppxmining.com.

PPX has been aggressively drilling the Igor Project, conducting infill and resource expansion drilling along the Callanquitas structure and also conducting exploration drilling south of Callanquitas in the Portachuelos target area. The drill campaign has resulted in the discovery of new high-grade mineralization at the Callanquitas structure and a new gold and silver mineralized zone at Portachuelos.

The Company has an agreement with Proyectos La Patagonia S.A.C. ("Patagonia" or "PLP"), a wholly-owned subsidiary of the Explora Peru Mining Group, Peru, whereby the Company has granted to Patagonia the rights to the Igor 4 mining concession, site of the Callanquitas resource, until the earlier of the date Patagonia extracts 600,000 metric tons of mineralized material or June 7, 2024. During the term of the agreement, the Company and Patagonia share the net profits from the mine operations on the Igor 4 concession, at a rate of 70%/30% up to when the production from the mine reaches 350 tons per day ("MTPD"), and 75%/25% thereafter. Going forward, the area of the underground operations at the Callanquitas structure will be referred to as the "Callanquitas Mine".

The Company's objective is to bring the Callanquitas Mine into production and focus on growing the gold and silver resource base, particularly in areas easily accessible by the underground workings, with the goal of defining sufficient resources to justify increase in the mine and heap leach processing facility.

FISCAL 2018 HIGHLIGHTS[1]

Pre-feasibility study – low cash costs, rapid pay back and strong base-case NPV

On December 4, 2018 the Company announced the results of the PFS for an integrated underground mine and gold-silver recovery plant at the Company's Igor Project. The PFS base case uses a gold price of US$1,250/oz of gold and US$16.5/oz of silver and generates a pre-tax internal rate od return ("IRR") of 64% (59% post tax), pre tax net present value ("NPV") of the project of US$37.7 million ($50.1 million), life of mine ("LOM") gold production of 108 thousand ounces of gold and 1.137 million onces of silver (122 thousand AuEq ounces) at an average cash cost of US$601/oz AuEq and all in sustaining cost ("AISC") of US$813/oz AuEq with a post tax projected pay-back period of approximately 24 months and LOM of 7 years.

The Callanquitas underground mine is fully permitted and has been operating for over 18 months in a test mining and bulk sampling mode.

Processing Plant – fully permitted; manufacturing nearing completion

In November 2017, the Company commenced the permitting process for a gold and silver heap leach processing plant at the Igor Project. Given the time line of the permitting process and the planned completion of the PFS, the Company opted to start permitting in order to minimize delays in constructing the processing plant. The permitting process is complete with the receipt of the "Final Permit to Initiate Operations" on January 17, 2019.

To date, the Company has advanced $957,000 (US$739,311) toward the manufacturing of the crushing plant and Merrill-Crowe plant for the heap leach operations (for more details refer to the "Exploration and evaluation activities" section, further on this MD&A).

Phase One Drilling Program – two new mineralised zones at Portachuelos, 800m south of Callanquitas resource

In August 2018 the company completed a phase one diamond drilling program which focused on infill and exploration drilling at the Callanquitas structure and the areas around the Callanquitas existing resources as well as other targets on the Igor Project. 8,303m were drilled including 4,272m drilled in Fiscal 2018; total drilling includes 4,014m of infill and exploration drilling at the Callanquitas Mine and 4,289m of exploration drilling in other areas of the Igor Project.

[1] *The Company's 2018 fiscal year is from October 1, 2017 to September 30, 2018. These highlights include information for the fiscal year 2018 and subsequent to fiscal 2018 as noted*

Drilling at the Callanquits structure demonstrated continuity in the high-grade areas of the resource with the high-grade areas open at depth.

The first mineralised zone at Portachuelos, 800 m south of the Callanquitas resource, includes 40.2 metres grading 1.18 gpt Au and 115.4 gpt Ag, (2.72 gpt Au Eq) at a vertical depth of approximately 25 metres. The Portachuelos mineralized zone represents a new distinct area of shallow, lower grade gold and silver mineralization hosted by tectonic and hydrothermal breccia with a strike length of approximately 650 metres, a true thickness of up to 40 metres and has been drilled to a depth of 130 metres. The gold and silver mineralization at Portachuelos is open in all directions, vertically and laterally.

The second mineralized area at Portachuelos, represents a thick zone of gold and silver mineralization: 35.1m grading 2.15 gpt Au, 25.9 gpt Ag (2.49 gpt Au Eq) including a high-grade interval of 2.9m grading 22.34 gpt Au, 12.0 gpt Ag (22.50 gpt Au Eq) at a vertical depth of over 300 metres. The gold and silver mineralization is completely oxidized and is open in all directions, vertically and laterally

For more details on the results of infill, resource confirmation / expansion and exploration drilling, refer to the “Exploration and Evaluation” section, further on this MD&A.

Community Agreements

On February 14, 2018, the Company signed a ten year agreement with the community of Callanquitas in Northern Peru that provides the Company with the Social License to conduct mining and exploration activities at the Igor concession.

Subsequent to year end, on November 20, 2018, the Company signed an agreement with the Igor community in Northern Peru that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession.

Financing

Subsequent to year end, the Company received $1,425,000 proceeds of the first tranche of a non-brokered private placement announced on December 6, 2018. Upon closing of the first tranche, the Company will issue 18,999,999 units; each unit entitles the holder to one common share of the Company and one-half common share purchase warrant; each warrant will be exercisable to one common share of the Company for two years after the issuance at a price of $0.10 per common share. For more details, refer to the “Liquidity and Capital Resources” section, further on the MD&A.

Convertible note

On August 9, 2018 the Company signed a subscription agreement with an investor for a US$1.0 million non-secured convertible note (the “note”). The note, subject to the approval of the TSX.V, will bear annual interest at 10% payable at maturity, mature 18 months from issuance and will be convertible into common shares of the Company, at the option of the holder, at a price of US$0.11 per common share. The Company received the funds from the note in August 24, 2018.

Second tranche of RIVI Gold Streaming Facility for US$2.5 million

In December 2017 the Company received the second tranche of US$2.5 million from RIVI Opportunity Fund LP. Refer below on this MD&A, (section “Agreement with RIVI Opportunity Fund LP”) for more details.

AGREEMENT WITH RIVI OPPORTUNITY FUND LP

On October 10, 2016, the Company entered into an agreement with RIVI Opportunity Fund LP (“RIVI”) to provide the Company with an investment of US$5 million in return for a Metal Purchase Agreement (“Gold Stream Agreement”) on future precious metal production from the Company’s Igor 4 concession, further amended on November 21, 2017.

RIVI is entitled to receive the greater of 10% of the Company’s portion of the combined production of gold and silver ounces from the Igor 4 concession on a Gold Equivalent Ounce (“GEO”) basis or 50 GEOs at a price per GEO of the lesser of US$400 or 80% the market price of gold on a monthly basis. The first tranche payment of US$2.5 million, for net proceeds of US$2.425 million (net of a structuring fee of US$75,000) was received on October 2016 and was subject to 10% interest, payable quarterly in US$s.

The second tranche of US$2.5 million was to be paid upon the Company meeting certain future production milestones, subject to the successful completion of the test mining program. The Company received the second tranche on December 13, 2017 for net proceeds of US$2.275 million ($2.99 million), with RIVI waiving some of the requirements for the production milestones, in exchange for certain amendments to the Metal Purchase Agreement provisions. The funds from the second installment are restricted to be used for the construction of the heap leach facility by the Company, and any remaining funds for exploration, development and mining on the Igor 4 concession.

The principal balance of US$5 million is reduced as the GEOs are delivered to RIVI. Upon expiry of the term which is the earlier of 40 years and depletion of the mine, any balance remaining unpaid shall be refunded to RIVI. To date, the Company has paid US$316,387 toward the principal balance from the GEOs produced as part of the bulk-sampling program.

The amended agreement signed on November 21, 2017 (the "Amended Agreement") provides that until 20,000 GEOs have been delivered to RIVI, the GEOs will include:

- all production from the Igor 4 concession and any other sources from the first 700 tons of ore processed at the Company's plant in any given day;
- production from only Igor 4 for any production above the 700 tons of ore processed in any given day and after 20,000 GEOs have been delivered to RIVI.

The amended agreement provides for interest at 12%, payable quarterly in US dollars and accruing daily on the full amount of the investment of US$5 million (net of the value of GEOs delivered to RIVI), until three months after the Company reaches commercial production. Commercial production is defined as the Company's processing plant average monthly production from the Igor 4 concession is at least 85% of 150 MTPD or the Company delivers a monthly average of 150 MTPD from the Igor 4 Concession to a smelter (the "Monthly Production Milestone").

The Company has granted RIVI a first and preferred mining tenements mortgage of US$5 million on the Igor concession and surface land and general security interest (the "Security") over all of the present and after-acquired assets within the property. The Security provided to RIVI will cease once the Company has fully paid the US$5.0 million investment by RIVI.

RESULTS OF OPERATIONS

The following is a summary of the Company's results of operations for the years ended September 30, 2018 and 2017:

For the year ended September 30,	**2018**	2017
Operating expenses		
Comunication and regulatory	**$369,797**	$414,070
Consulting fees, salaries and benefits	**1,245,633**	1,547,200
Depreciation	**14,369**	5,617
Foreign exchange loss (gain)	**209,440**	(209,862)
Office and miscellaneous	**274,539**	331,749
Premises	**28,932**	56,904
Professional fees	**222,745**	289,760
Share based payments	**112,632**	1,105,588
Travel and promotion	**312,550**	251,859
Net loss from operations	**(2,790,637)**	(3,792,885)
Finance and other items		
Finance expense, net	**(918,836)**	(914,368)
Write off of net advances for assets under construction	**-**	(4,830,627)
Net loss	**($3,709,473)**	($9,537,880)
Basic and diluted loss per share	**($0.01)**	($0.03)

The Company recorded a net loss of $3,709,473 or $0.01 per share for the year ended September 30, 2018 ("2018" or "year 2018") as compared to a net loss of $9,537,880 ($0.03 per share) for the year ended September 30, 2017 ("2017" or "year 2017"). The net loss in 2017 includes $4,830,627, net write off of certain advances for assets under construction (refer to "AM Mining SAC Agreement" section, further on this MD&A for more details); excluding the write off, the net loss for 2017 is $4,707,253 or $0.01 per common share.

The most significant changes for year 2018 as compared to 2017 were as follows:

Communication and regulatory of $369,797 (2016 - $414,070) - Communication and regulatory includes charges related to the Company's investor relations activities as well as filing and listing fees; the decrease from 2017 reflects primarily higher filing and regulatory fees due to the re filing of the Company's stock option plan as required by the Toronto Venture Stock Exchange.

Consulting fees, salaries and benefits of $1,245,633 (2017 - $1,547,200) – The 2017 spending includes severance paid to the former CFO of the Company.

Foreign exchange loss of $209,440 (2017 – gain of $209,862) – The foreign exchange gain results from fluctuations in the US$/CAD$ exchange rates throughout the year.

Office and miscellaneous of $274,539 (2017 - $331,749) – the decrease from 2017 reflect certain reorganisations in the Peruvian office.

Professional fees of $222,745 (2017 - $289,760) – professional fees include legal and accounting expenditures; 2017 includes certain payments to an outside consulting accounting firm where the Company's Interim Chief Financial Officer in 2017 is an Associate.

Share-based payments of $112,632 (2017 - $1,105,588) – the decrease in 2018 reflects smaller number of share options granted in 2018 compared to 2017 (1.8 million in 2018 compared to 15.036 million in 2017).

Travel and promotion of $312,550 (2017 - $251,859) – Travel and promotions includes travel and meals and entertainment and increased as a result of increased travel to Peru to oversee project activities.

Finance expense, net *is as follows:*

For the year ended September 30,	**2018**	2017
Gold stream facility interest expense	**$671,487**	$320,607
Gold stream facility transaction costs	**288,113**	587,827
Convertible note interest expense and acretion	**45,760**	-
Unrealised gain on derivative liability	**(96,611)**	-
Convertible note transaction costs related to the conversion option	**1,681**	-
Bank charges and other	**8,406**	5,934
Finance expense, net	**$918,836**	$914,368

Gold streaming facility – Interest expense and transaction costs incurred under the agreement with RIVI (refer to the "Agreement with RIVI Opportunity Fund LP" section above on this MD&A for more details).

Convertible note interest expense and accretion of $45,760 (2017 - $Nil), includes accretion of $26,934 (US$20,666) – On August 9, 2018, the Company issued a convertible note for gross proceeds of US$1.0 million; the note bears interest at 10%, payable in 18 months and is convertible at the holder's option at a price of US$0.11 per common share.

Unrealized gain on derivative liability of $96,611 (2017 - $Nil) - The conversion feature of the note meets the definition of a derivative liability and is recorded as such, measured initially at fair market value (US$245,881 or $320,531) and revalued on each subsequent reporting date with the changes in the fair value ($96,611 gain in 2018) recorded in profit and loss.

SELECTED ANNUAL INFORMATION

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited consolidated financial statements of the Company for the years ended September 30, 2018, 2017 and 2016. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

As at and for the year ended September 30,	**2018**	2017	2016
Revenue	**$-**	$-	$-
Finance expense (income), net	**$918,836**	$914,368	($346,822)
Net loss for the year	**($3,709,473)**	($9,537,880)	($1,780,922)
Loss per share - Basic and diluted	**($0.01)**	($0.03)	($0.01)
Total assets	**$12,136,267**	$9,057,572	$8,314,337
Long term liabilities	**$7,203,420**	$3,125,170	$16,714

The finance income in 2016 included $613,900 unrealized gains in embedded derivatives on a promissory note; the promissory note was written off in 2017 (refer to "Agreement with AM Mining" further below on this MDA). The increase in total assets from

2016 reflects primarily the increase in exploration and evaluation assets as a result of spending on the bulk sampling and testing program at the Igor 4 concession and drilling and other exploration spending on the other targets at the Igor Project.

Long term liabilities for 2018 and 2017, include, in addition to environmental rehabilitation provision, the gold stream facility (first tranche in 2017 and both tranches for 2018) and the value of the convertible note entered in 2018.

QUARTERLY INFORMATION

The following table sets out selected quarterly financial data from the Company's unaudited quarterly financial statements. There were no significant revenues reported in any of the periods reflected below:

Fiscal quarter ended	**September 30, 2018**	June 30, 2018	March 31, 2018	December 31, 2017
Revenue	**$-**	$-	$-	$-
Net loss	**($859,567)**	($725,611)	($937,556)	($1,186,739)
Net loss income per share* basic and diluted	**($0.00)**	($0.00)	($0.00)	($0.00)

Fiscal quarter ended	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Revenue	$-	$-	$-	$-
Net loss	($6,183,343)	($669,912)	($984,527)	($1,700,098)
Net loss income per share* basic and diluted	($0.02)	($0.00)	($0.00)	($0.01)

** Net income (loss) per share is calculated based on the weighted average number of shares outstanding for the quarter*

The net loss for the three months ended September 30, 2017, includes $4,830,627 for the write of certain advances and assets under construction net of a promissory note as discussed further below on this MDA under "Agreement with AM Mining", as well as $587,827 transaction costs for the first tranche of the gold stream facility; the net loss for the three months ended December 31, 2017 includes $288,113 for the second tranche of the gold stream facility.

EXPLORATION AND EVALUATION ACTIVITIES REVIEW

The Company is focused on exploring and developing the Igor property, located in Peru, South America. The Igor concession includes three projects: Igor 4, where the Company completed an underground mining testing and bulk sampling program, as well as two other exploration projects - Igor and Igor 3. The Company has acquired surface rights totaling 65.3 hectares within the Igor property area. The surface rights facilitate the development of the surface infrastructure associated with the test mining program and would allow access to important areas of the property for surface exploration, including drilling. The production from Igor 4 concession is subject to the requirements of the gold streaming facility with RIVI as discussed on the section "Agreement with RIVI Opportunity Fund LP", above on this MD&A.

A summary of Company's spending on exploration and evaluation activities for the years ended September 30, 2018 and 2017 is shown below:

For the year ended September 30,	**2018**	2017
Drilling, road and site preparation	**$3,053,243**	$1,501,982
Salaries, claims maintenance and staking	**562,590**	794,221
Social development	**568,016**	257,263
Bulk sampling program	**74,919**	1,000,407
Engineering	**282,154**	36,278
Environmental	**51,567**	79,456
Environmental rehabilitation provision adjustment	**205,506**	83,072
Total additions	**$4,797,995**	$3,752,679

The 2018 expenditures include $1,205,740 (2017 - $1,951,595) spent in the bulk sampling and testing program, pre-feasibility study and infill drilling on the Igor 4 concession, and $3,386,749 (2017 - $1,801,084) spent on exploration drilling on other Igor properties.

Bulk sampling program expenditures for the year ended September 30, 2017 of $1,241,133, include $916,310 fair value of 7,635,914 common shares of the Company issued on October 2016 to Patagonia.

Igor 4 Concession Pre-Feasibility Study

On December 4, 2018, the Company announced the results of an independent Pre-Feasibility Study for an integrated underground mine and gold-silver recovery plant at the Igor 4 concession. The PFS was prepared by Mine Development Associates ("MDA") of Reno, Nevada in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" (NI 43-101), with highlights as below (US$:CAD$ = 1:1.33):

- Pre-tax Internal Rate of Return ("IRR") of 64% at US$1250/oz gold and US$16.50/oz silver (59% post-tax); 76% pre-tax IRR with US$1350/oz gold and US$17.82/oz silver prices (71% post-tax);
- Average Life of Mine ("LOM") cash operating costs of US$601/oz gold AuEq recovered and AISC of US$813/oz gold equivalent LOM;
- Pre-tax Net Present Value at a 5% discount rate ("NPV-5") of US$37.7 million ($50.1 million) at US$1250/oz gold and US$16.50/oz silver (US$30.1million post-tax); US$46.1 million pre-tax NPV-5 ($61.3 million) with US$1350/oz gold and US$17.82/oz silver prices (US$35.7 million post-tax);
- Post-tax Project pay-back period of approximately twenty-four months and a mine life of seven years after a three month ramp up and construction phase;
- LOM gold production of 108,000 gold ounces and 1,137,000 silver ounces for a total of 122,000 AuEq ounces;
- Total diluted Proven and Probable Reserves of 1.03 million tonnes grading 4.10 gpt gold (136,000 gold ounces) and 104.08 gpt silver (3.445 million silver ounces), or 154,000 AuEq ounces at a grade of 4.66 gpt AuEq.
- Total Measured and Indicated Resources of 1.47 million tonnes, grading 4.72 gpt gold (223,000 gold ounces) and 109.5 gpt Ag (5.18M silver ounces) equal to 246,000 AuEq ounces (5.21 gpt AuEq). Inferred Resources totaled 0.613 million tonnes, grading 3.91 gpt gold (77,0000 gold ounces), and 139.7 gpt silver (2.75M silver ounces) equal to 89,000 AuEq ounces. The reported resources are inclusive of the mineral reserves.

Cash operating costs include mine and processing costs and mine general and administration expenses; AISC includes cash operating costs, payments to RIVI capital under the gold stream facility and reclamation spending. Cash operating cost and AISC per tonne and ounce (based on 1.03 million tonnes of mined and processed ore and 122,000 AuEq ounces) are shown below:

	US$/tonne	**US$/AuEq ounces**
Expensed Mine Development	$2.45	$20.61
Underground Mine Costs - Ore	49.38	415.89
Processing Costs	17.13	144.29
General and Administration	2.42	20.39
Cash Operating Costs	**$71.38**	**$601.18**
RIVI Stream Payments	10.09	85.00
Reclamation Spending	3.69	31.11
Capital Expenditures	11.38	95.92
All In Sustaining costs	**$96.54**	**$813.21**

Capital expenditures include estimated capital mine development costs of US$6.6 million, a contractor adjustment of US$2.4 million, and estimated remaining capital costs for the heap leach processing facility of US$3.6 million (excluding advances for equipment manufacturing and spending to December 4, 2018 for various plant infrastructure), net of estimated salvage od US$0.9 million. For more details on the PFS, refer to the press release dated December 4, 2018 filed on SEDAR at ww.sedar.com or on the Company's web site at www.ppxmining.com.

Heap Leach Processing Plant

The Company started the permitting process for the heap leach processing plant on November 1, 2017. Given the timelines and anticipation of PFS completion, the Company started permitting activities to minimize delays in constructing the processing plant. The facility will include a primary, secondary and tertiary rock crusher, agglomerator, heap leach pads, a Merrill-Crowe precious metal recovery plant capable of producing dore (gold and silver) on site and associated support facilities. The crushing circuit will be permitted at 350 tonnes per day ('tpd") but have sufficient excess capacity to allow production of up to 700 tpd of crushed material for future expansion. The Plant layout is being permitted so that other processing facilities can be added with minimal costs. To date the Company has all necessary permits for plant construction and operation.

Once the heap leach plant is operational, the Company plans to start the permitting and engineering design to expand the plant capacity to 700 tpd. The process is expected to take approximately two years and involves implementing a ball mill and leaching tanks to replace the heap leach pads, to improve recoveries on gold (from 80% to 95%) and silver (from 33% to 65%), and facilitate the final disposition of processed material in underground open spaces (backfill), reducing the need for surface land. The heap leach pads would be re-processed (milled and tank leached) together with the material coming from the mine.

In May 2018, the Company contracted the services of Big Rock Consulting Inc. ("BRC"), a Canadian entity, for the manufacturing of a crushing plant and Merrill Crowe plant for the Company's heap leach operation (to be located 3km from Mina Callanquitas) for a total of US$1,913,250; both the crushing plant and the Merrill Crowe plant are planned to be delivered to the site in mid-February 2019. The Company estimated that all preparatory work (access roads, platforms, camp, rain water pond and plant facilities) to have been completed by the time equipment are delivered at the site. Assembly and installation of plant equipment is expected to start in February 2019 and commissioning expected between the second and the third calendar quarter of 2019. The plant is scheduled to start operations in the second calendar quarter of 2019.

Igor 4 Concession Agreements

Agreement with Proyectos Le Patagonia, S.A.C.

The Company has an agreement with Patagonia, whereby the Company has granted to Patagonia the rights to the mining concession (the "assignment contract") on the Igor 4 until the earlier of the date Patagonia extracts 600,000 metric tons of ore or June 7, 2024. During the term of the agreement, the Company and Patagonia share on the net profits from the mine operations at the Igor 4, at a rate of 70%/30% up to when the production from the mine reaches 350 tons per day ("MTPD"), and 75%/25% thereafter.

Patagonia is responsible for obtaining all necessary permits and licenses to carry out mining operations on the Igor 4 in order to reach certain production milestones. The Callanquitas underground mine is fully permitted and has been operating for over 18 months in a test mining and bulk sampling mode. The Company is responsible for building and installing a processing plant with a capacity of at least 150 MTPD and to be expanded to 350 MTPD.

The Company can terminate the assignment agreement at any time subject of payments to Patagonia as follows:

- if terminated after November 1, 2019, US$3,000,000 less US$5 multiplied by the tons of ore extracted;
- if terminated before November 1, 2019, US$4,000,000 less US$5 multiplied by the tons of ore extracted;

The assignment agreement represents a joint operation as defined in IFRS 11, *Joint Arrangements*, and as such the Company recognizes its assets, liabilities, and its share of revenues and expenses from the operation.

Agreement with AM Mining SAC ("AMM")

Pursuant to agreements between the Company and AMM signed on February 4, 2015, AMM had agreed to construct and operate the Company's 350MTPD gold and silver processing plant, capable of producing precious metal dore at the Igor Project. The Company had agreed to pay AMM US$5 million as consideration for the plant construction by issuing the owner of AMM 42,311,740 common shares, equivalent to US$3,870,695, and entering into a promissory note for US$1,129,305 in cash or 12,344,782 common shares of the Company.

As at September 30, 2017, AMM had not made significant progress in constructing the plant and PPX is in the process of permitting a heap leach plant for the processing of Mina Callanquitas material; the heap leach plant will be constructed and operated by the Company. Management has had discussions with AMM to find a solution to the Company recovering its net advances to AMM. Due to the uncertainty related to the recoverability of the net advances of US$3,870,695 (US$5,000,000 net of a promissory note payable of US$1,129,305) management decided to write off the balance during the year ended September 30, 2017. The write off included $5,803,200 (US$4,650,000) of advances for assets under construction, $436,800 (US$350,000) for assets under construction and $1,409,373 (US$1,129,305) for the promissory note payable.

Community Agreements

On February 14, 2018, the Company signed a ten year agreement with the community of Callanquitas in Northern Peru that provides the Company with the Social License to conduct mining and exploration activities at the Igor Project, including the ongoing test-mining and bulk-sampling program at Igor 4 concession. The agreement provides for employment opportunities for the people of Callanquitas, improved road maintenance in the vicinity of the community, and infrastructure improvements to the local elementary school.

Subsequent to year end, on November 20, 2018, the Company signed an agreement with the Igor community in Northern Peru that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession. The agreement provides for employment opportunities for the people of the Igor community, improved road maintenance in the vicinity of the community, and infrastructure improvements to local schools and medical facility.

Bulk Sampling and Test Mining Program at Igor 4 concession

On October 26, 2016, the Company commenced the underground test mining and bulk sampling at the 3390 level and, in calendar 2017, the 3440 level at the Callanquitas Mine. The Company utilized the economic, engineering, and technical data generated during the test mining and bulk-sampling program, together with infill and exploration drilling on the Igor project as the basis for the PFS announced on December 4, 2018. The sub-vertical geometry of the Callanquitas structure combined with favorable topography allowed Patagonia to extract gold and silver mineralized material rapidly for large-scale bulk sampling.

Since that start of the bulk sampling program to December 31, 2018, 38,475t at an average grade of 8.82 gpt Au were mined and processed at a third-party facility, for 8,878 recovered gold ounces with an average mill recovery of 81.3%. Total tonnes mined were 48,513t with the difference being “low grade development” material (average grade of 4.3 gpt Au); at December 31, 2017, 10,038t of development material is stockpiled at the Callanquitas Mine for processing once the Company’s heap leach plant starts the operations.

As at December 31, 2018, a total of 4,000 metres of ramp development have been completed on the 3440, 3390 and 3340 levels of Mina Callanquitas. Patagonia has also surveyed in detail approximately 600 linear metres of older underground workings, principally sub-levels with smaller sections, in order to integrate these workings into the mine plan for the systematic bulk-sampling. Approximately 740 metres of raises were completed connecting the 3440, 3390 and 3440 levels and provide access to the sublevels developed by previous mining at Callanquitas. Work was also performed to recover the pillars left by older underground workings.

Phase One Drilling Program

A phase one diamond drilling commenced in September 2017, with the goal of exploring multiple untested targets throughout the Igor Project area and also complete infill drilling at the Callanquitas Mine in order to upgrade the existing resource estimate on the Callanquitas Structure. 8,303m were drilled which included 4,272m drilled in Fiscal 2018; total drilling included 4,014m of infill and exploration drilling at Callanquitas and 4,289m of exploration drilling in other areas of the Igor Project. Drilling results on the Igor 4 concession were included in the PFS announced on December 4, 2018.

2019 Drilling Campaign at Igor Concession

On December 6, 2018, the Company announced that it has begun planning its 2019 exploration drilling program at the Igor concession. Based on the results of the PFS for the Callanquitas, the Company has identified multiple drill targets in the Callanquitas area with the goal of adding gold and silver resource ounces in the immediate proximity of existing and planned underground mine workings. The Company also intends to aggressively drill the new Portachuelos discovery located 800 metres south of the Callanquitas reserves.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through the equity markets and / or various other financing instruments. Should the Company wish to continue fieldwork on its exploration projects, further financing may be required. Management constantly reviews expenditures and exploration programs and equity markets in order that the Company have sufficient liquidity to support its growth strategy.

At September 30, 2018 the Company had cash of $455,430 and a working capital deficiency of $821,998 (2017– $3,536,342 and working capital of $3,213,382). On December 6, 2018, the Company announced a non-brokered private placement (the “financing”) offering of up to 39,999,999 units at a price of $0.075 per unit. Each unit consists of one common share and half a common share purchase warrant exercisable into common shares of the Company at $0.10 per common for two years from the closing of the financing. The Company received $1,425,000 from the first tranche of the financing; upon closing of the first tranche the Company will issue 18,999,999 units.

During the year ended September 30, 2018, net cash used in operating activities was $2,681,865 while $5,693,145 was spent in investing activities. Investing activities include spending for the bulk sampling and testing program at the Igor 4 concession as well as other exploration and evaluation spending on Igor 4 and other targets on the Igor concession. Net cash from financing activities for fiscal 2018 was $5,424,455 and included net proceeds of $2,924,887 for the second tranche of the RIVI Facility, $1,606,997 from the exercise of 21.387 million warrants and $1,296,763 from the convertible note. The Company paid $404,192 to RIVI as principal repayments.

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The Company's key management personnel consist of the Company's officers, directors and companies associated with them including the following:

- Maher Global Exploration, a company controlled by Brian Maher, Chief Executive Officer
- KA Gold LLC, a company controlled by Kimberly Ann, former Chief Financial Officer and Vice President of Corporate Development
- Malaspina Consultants Inc, a company in which Natasha Tsai, former Interim Chief Financial Officer, is an Associate

Compensation includes salaries and professional fees paid to the President and Chief Executive Officer, the Chief Financial Officer, former Chief Financial Officer and Vice President of Corporate Development and former Interim Chief Financial Officer as well as amounts paid to directors.

Year ended September 30,	**2018**	2017
Consulting fees, salaries and benefits	**$722,445**	$614,257
Severance and professional fees	**-**	449,746
Share based compensation	**38,552**	1,049,178
	$760,997	$2,113,181

OUTSTANDING SHARE INFORMATION

	As at January 25, 2019
Common shares - issued and outstanding	**469,285,617**
Securities exercisable or convertible into common shares	
Warrants	**61,650,116**
Agent warrants	**7,137,014**
Share options	**29,386,000**

FINANCIAL INSTRUMENTS

Management of capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure. The Company manages its capital structure, being its promissory note, convertible debenture and equity components, and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's capital at September 30, 2018 and 2017 is as follows:

As at September 30,	**2018**	2017
Share capital	**$59,628,834**	$57,957,777
Reserves	**7,130,882**	6,905,300
Deficit	**(63,472,835)**	(59,763,362)
Debt	**6,917,311**	3,025,330
	$10,204,192	$8,125,045

The properties in which the Company currently has an interest are in the exploration stage; on December 4, 2018, the Company issued the results of the PFS on the Igor 4 concessions which established proven and probable reserves on the concession. The Company is in the process of developing the Callanquitas Mine and building a heap leach processing facility; as such the Company is dependent on external financing to fund its planned activities. In order to carry out the planned activities and pay for general administrative costs, the Company will be using its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2018. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

Carrying values of financial instruments

The carrying values of the financial assets and liabilities at September 30, 2018 and 2017 are as follows:

As at September 30,	**2018**	2017
Financial Assets		
At fair value through profit or loss		
Cash	**$455,430**	$3,536,341
Loans and receivable, measured at amortized cost		
Receivables	**303,410**	401,649
	$758,840	$3,937,990
Financial Liabilities		
At fair value through profit or loss		
Gold stream facility	**$5,678,441**	$3,025,330
Convertible note - derivative liability	**222,334**	-
Other financial liabilities, measured at amortized cost		
Accounts payable and accrued liabilities	**1,645,966**	832,687
Convertible note	**1,016,536**	-
	$8,563,277	$3,858,017

Fair values of financial instruments

The fair value of receivables and accounts payable and accrued liabilities, and promissory note payable approximate their carrying amounts due to their short terms to maturity.

The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

As at September 30,	**2018**	2017
	Level 1	Level 1
Cash	**$455,430**	$3,536,341
	Level 3	Level 3
Gold stream facility	**$5,678,441**	$3,025,330
Convertible note derivative liability	**$222,334**	$-

The Company does not offset financial assets with financial liabilities and there were no transfers between Level 1 and Level 2 input financial instruments.

The fair value of the Gold stream facility is measured at fair value through profit and loss, with the embedded derivative at September 30, 2018 and 2017 measured at nominal value.

The Convertible note derivative liability is measured at fair value through profit and loss using Black-Scholes option pricing model. This basis of determining fair value is a level 3 technique for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Risk management policies

The Company is exposed to financial risks sensitive to changes in commodity prices, foreign exchange and interest rates. The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Currently the Company has not entered into any options, forward or future contracts to manage its foreign exchange related exposures. Similarly, derivative financial instruments are not used to reduce these financial risks.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company's maximum exposure to credit risk for cash and receivables is the amounts disclosed in the consolidated statements of financial position. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

The Company's accounts receivable at September 30, 2018 primarily consist of goods and services sales tax (GST) due from the Federal Government of Canada and loan receivable. The loan receivable of $258,387 (US$199,604) is being paid through the cash flows generated from the bulk sampling program at the Igor 4 concession ($215,297 or US$165,891 were received during the year ended September 30, 2018). Management believes that the credit risk associated with the loan receivable is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. At September 30, 2018, the Company has a cash balance of $455,430 to settle its obligations related to accounts payable and accrued liabilities of $1,645,966 and a gold stream facility loan with RIVI of $5,678,441 (US$4,386,590), payable upon meeting future production milestones.

Subsequent to year end, the Company received $1,425,000 proceeds of the first tranche of the private placement announced on December 6, 2018.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Peru and Canada and a portion of its expenses are incurred in United Sates dollars and Peruvian Soles. A significant change in the currency exchange rates between the US dollar relative to the Canadian dollar and the Peruvian Soles to the Canadian dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. At September 30, 2018 the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars and Peruvian Soles:

	Peruvian Soles (S/.)	**United states dollars (US$)**
Assets		
Cash	55,829	$340,333
Accounts receivable	174,524	-
Loan receivable	-	199,604
	230,353	**$539,937**
Liabilities		
Accounts payable and accrued liabilities	(1,903,187)	$-
Convertible note		(1,014,444)
Gold Stream facility	-	(4,683,613)
	(1,903,187)	**($5,698,057)**

At September 30, 2018, USD amounts were converted at a rate of USD 1.00 to CAD 1.29; Peruvian Soles amounts were converted at a rate of Peruvian Sol 1.00 to CAD 0.3922.

Based on net exposures as at September 30, 2018, and assuming that all other variables remain constant, a 10% change of the Canadian dollar against the US dollar and Peruvian Soles would result in a change of approximately $733,000 in the Company's net loss for the year.

Interest rate risk

The Company considers the interest rate risk to be insignificant, as all of its interest-bearing debt have fixed interest rates.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OFF - BALANCE SHEET ARRANGEMENTS

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

COMITMENTS AND CONTINGENCIES

The Company has entered into a ten year community agreement, whereby the Company has committed to provide employment opportunities for the people of Callanquitas community in Peru in the vicinity of the Company's Igor 4 concession, improved road maintenance and infrastructure improvements to the local elementary school, in exchange for the Social License to conduct mining and exploration activities at the Igor Project.

Subsequent to year end, on November 20, 2018, the Company signed an agreement with the Igor community in Northern Peru that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession. The agreement provides for employment opportunities for the people of the Igor community, improved road maintenance in the vicinity of the community, and infrastructure improvements to local schools and medical facility.

The Company has contracted the services of Big Rock Consulting Inc. ("BRC") for the manufacturing of certain equipment for the Company's heap leach plant for US$1,913,250. As at January 25, 2019, the Company has advanced US$739,311 to BRC with the rest of the contracted amount to be paid by the time the equipment is delivered; the delivery planned for the first calendar quarter of 2019.

In addition, the Company had undiscounted environmental closure obligations for remediation and rehabilitation work on the Company's Igor properties with estimated total obligations at September 30, 2018 of $516,745 (US$399,185).

SUBSEQUENT EVENTS

On October 10, 2018, 3,000,000 warrants at an exercise price of $0.12 per common share expired unexercised.

On November 4, 2018, the Company announced the completion of the pre-feasibility study on the Igor 4 concession.

On November 20, 2018, the Company signed an agreement with the Igor community in Northern Peru that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession. The agreement provides for employment opportunities for the people of the Igor community, improved road maintenance in the vicinity of the community, and infrastructure improvements to local schools and medical facility.

On December 6, 2018, the Company announced a non-brokered private placement (the "financing") offering of up to 39,999,999 units at a price of $0.075 per unit. Each unit consists of one common share and half a common share purchase warrant exercisable into common shares of the Company at $0.10 per common for two years from the closing of the financing. The Company received $1,425,000 proceeds of the first tranche of the financing and will issue 18,999,999 units upon closing.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3 of the financial statements, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Critical Judgments in Applying Accounting Policies

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- deferred tax assets recorded in the consolidated financial statements;
- the determination of the functional currency in accordance with International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*; and
- determination of derivative liability.

Key Sources of Estimation Uncertainty

Useful life of plant and equipment

As discussed in note 3(e) of the financial statements, the Company reviews the estimated lives of its plant and equipment at the end of each reporting period. There were no material changes in the lives of plant and equipment for the years ended September 30, 2018 and 2017.

Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company and/or its subsidiaries will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company and/or its subsidiaries to realize the net deferred tax assets recorded at the statement of financial position date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future periods.

Impairment of assets

The carrying amounts of mining properties and plant and equipment, and advances for assets under construction are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash generating unit ("CGU") level.

The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, foreign exchange rates, discount rates, future capital requirements, resource estimates, exploration potential and operating performance as well as the CGU definition. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the mining interests. In the absence of any mitigating valuation factors, adverse changes in valuation assumptions or declines in the fair values of the Company's CGUs or other assets may, over time, result in impairment charges causing the Company to record material losses.

The Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

Gold streaming facility

The Company has entered into a Gold Streaming Agreement which contains a derivative liability. The valuation of this derivative utilizes a number of assumptions, including discount rate, future gold prices, the probability of achieving commercial production from the Igor 4 property, change in expected ounces to be delivered and future production levels. As at the statement of financial position date, management, due to uncertainties related to the amount of reserve and timing of future ounces to be delivered, has determined the derivative value to be nominal.

Environmental rehabilitation

Significant estimates and assumptions are made in determining the environmental rehabilitation costs as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates.

Those uncertainties may result in actual expenditures in the future being different from the amounts currently provided in the financial statements. The provision represents management's best estimate of the present value of the future rehabilitation costs required.

Share based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3(h) of the financial statements. The fair value of stock options granted is measured using the Black-Scholes option valuation model and is only an estimate of their potential value and requires the use of estimates and assumptions.

CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Changes in Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective October 1, 2017. These changes were made in accordance with the applicable transitional provisions. The adoption of the new standards and consequential amendments did not have a material impact on the Company's consolidated financial statements.

IAS 12, Income Taxes ("IAS 12")

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of a reporting period, and is not affected by possible future changes in the carrying amount or expected recovery of the asset. These amendments are effective for reporting periods beginning on or after January 1, 2017.

IAS 7, Statement of Cash Flows

IASB issued amendments to IAS 7, Statement of Cash flows ("IAS 7"), in January 2016. The amendments are effective for annual periods beginning on or after January 1, 2017. This amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from both cash and non-cash changes.

Amendments to IFRS 12 Disclosure of Interests in Other Entities

These amendments clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10 - B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Accounting Standards Issued Not Yet Effective

IFRS 9, Financial Instruments

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39*, Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The final version of IFRS 9 was issued in July 2014 and includes (i) a third measurement category for financial assets – fair value through other comprehensive income; (ii) a single, forward-looking "expected loss" impairment model, and (iii) a mandatory effective date for IFRS 9 of annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has identified financial instruments that would be impacted by this standard. The Company is in the process of evaluating the impact of the new standard on the consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

IFRS 15*, Revenue from Contracts with Customers* ("IFRS 15") proposes to replace IAS 18, *Revenue, IAS 11, Construction Contracts, and some revenue-related interpretations*. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much, and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company does not expect the new standard to have a material impact on the consolidated financial statements.

IFRS 16, Leases

In January 2016, the IASB issued the IFRS 16, *Leases* ("IFRS 16") which replaces the existing lease accounting guidance. IFRS 16 requires all leases to be reported on the balance sheet unless certain criteria for exclusion are met. IFRS 16 is effective for the year ended December 31, 2019 with early adoption permitted if IFRS 15 is also adopted at the same time. The Company is currently in the process of assessing the impact that the new and amended standards will have on its consolidated financial statements.

IFRIC 22, Foreign Currency Transactions and Advance Consideration

On December 8, 2016, the IASB issued IFRIC Interpretation 22*, Foreign Currency Transactions and Advance Consideration*. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Interpretation is applicable for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company does not expect the Interpretation to have a material impact on the consolidated financial statements.

IFRIC 23, Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company does not expect the Interpretation to have a material impact on the consolidated financial statements.

Amendments to IAS 28, Investments in Associates and Joint Ventures

These amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. The amendments are effective for reporting periods beginning on or after January 1, 2018. The Company does not expect the Amendments to have a material impact on the consolidated financial statements.

Amendments to IAS 40 Investment Property

These amendments specify that a transfer into, or out of investment property should be made only when there has been a change in use of the property; and such a change in use would involve an assessment of whether the property qualifies as an investment property. The change in use should be supported by evidence. The amendments are effective for reporting periods beginning on or after January 1, 2018. The Company does not expect the Amendments to have a material impact on the consolidated financial statements.

Amendments to IFRS 2 Share-based Payment

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. These amendments are effective for reporting periods beginning on or after January 1, 2018. The Company does not expect the Amendments to have a material impact on the consolidated financial statements.

DISCLOSURE CONTROLS AND POCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended September 30, 2018 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.