NEW STRATUS ENERGY INC.

(formerly Red Rock Energy Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE INTERIM PERIOD ENDED SEPTEMBER 30, 2017

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The following management discussion and analysis ("**MD&A**") of the financial position of New Stratus Energy Inc. (the "**Company**" or "**New Stratus**") should be read in conjunction with the Company's condensed financial statements for the six months ended September 30, 2017.

This MD&A is effective as of November 27, 2017.

All dollar figures in this MD&A, unless otherwise stated, are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks set forth below.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to future acquisitions; the potential of the Company's properties; the future of commodity prices; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: the timing and progress of mining exploration; future acquisitions; the expected success of mining operations; the government regulation of mining operations; the success of securing or maintaining licenses, permits and authorizations; expectations regarding the Company's ability to raise capital; expenditures to be made by the Company to meet certain work commitments; environmental risks; potential title disputes or claims and limitations on insurance coverage; and the development of the Uranium Zone Project (as defined herein).

In addition, the Company has also made certain assumptions that the Company believes are reasonable. These assumptions include, but are not limited to the legislative and regulatory environment; the impact of increasing competition; the success and timely completion of planned exploration and development projects; that general business and economic conditions will not change in a materially adverse manner; costs related to development of mine properties remain consistent with historical experiences; anticipated results of exploration, development and production activities; and the Company's ability to obtain additional financing on satisfactory terms.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

NEW STRATUS BUSINESS

The Company's sole business to date has been to identify, evaluate and acquire mineral and oil and gas properties and to conduct exploration and development operations on such properties. The Company has no commercial production, and accordingly has realized no material revenues to date.

The Company's principal property is the property described in the Uranium Zone Technical Report (as defined herein), which consists of consists of 14 claims encompassing 9,668 hectares located Northwestern Saskatchewan (the "**Uranium Zone Project**"). The Company is currently evaluating surface exploration and drilling programs to identify and assess the uranium potential of selected targets on the Uranium Zone Project.

"**Uranium Zone Technical Report**" is the report entitled "Updated Technical Report on the Fusion Uranium Zone Project, RB2, Claim Group, Uranium City Area, Northwestern, Saskatchewan, Canada" dated September 29, 2017, which was filed on SEDAR at www.sedar.com on October 31, 2017.

Additional information related to Company and factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities, including the Company's Annual Information Form dated July 28, 2017, and may be accessed through the SEDAR website at www.sedar.com.

CORPORATE HISTORY, BACKGROUND AND GENERAL DEVELOPMENT

The Company was incorporated as "Alex Lee Syndicate Inc." under the *Business Corporations Act* (Alberta) ("**ABCA**") on April 12, 2005. On November 18, 2005, the Company changed its name to "Red Rock Energy Inc." and on August 15, 2017, the Company changed its name to "New Stratus Energy Inc."

During the six months ended September 30, 2017, the Company completed a reorganization plan, which included the following steps: (i) $722,986 shares for debt transaction; (ii) one (1) for 13.35 share consolidation; (iii) $500,000 non-brokered unit private placement; (iv) appointment of new directors and executive officers; (v) NEX reactivation and concurrent graduation to Tier 2 of the TSX Venture Exchange ("**TSX-V**"); and (vi) $2,077,032 non-brokered common share private placement.

The Company's head office is located at Suite 3300, 205 - 5th Avenue S.W., Calgary, Alberta T2P 2V7 and its registered and records office is located at Suite 1000 – 250 2nd Street S.W., Calgary, Alberta T2P 0C1.

The Company is a reporting issuer in Alberta, British Columbia, Ontario and Saskatchewan. The common shares of the Company (the "**Common Shares**") are listed on the TSX-V under the trading symbol "NSE".

OUTLOOK

Management's focus is currently on pursuing opportunities to diversify its asset holdings through acquisition of an international oil and gas asset.

There are currently no significant projects/milestones, contemplated exploration, development or production activities or material planned capital expenditures on the Uranium Zone Project. However, Management is in discussions with the lenders to extend the terms of the Uranium Put and Sale Agreement (as defined herein) and the Amended Loan Agreements (as defined herein) to allow time to fully assess the Uranium Zone Project by drilling a test well in mid-2018. See "*Liquidity and Capital Resources*" and "*Proposed Transactions*" for further information.

OVERALL PERFORMANCE

The Company completed a reorganization during the six months ended September 30, 2017 which included the completion of a private placement of units of the Company and a private placement of shares resulting in aggregate gross proceeds of $2,577,032 and the exchange of debt of $722,986 for shares all of which will allow the Company to continue evaluating the potential of its uranium assets and new opportunities. The Company has a working capital deficit of $657,269.

In connection with the reorganization, the Company entered into a put and sale agreement dated May 3, 2017 with 2037881 Alberta Ltd. (the "**Uranium Put and Sale Agreement**") to divest all of the Company's uranium assets to 2037881 Alberta Ltd. in exchange for cancellation of outstanding debt in the aggregate amount of $1,879,439 owed to 1262430 Alberta Ltd. and to Soto Enterprises Ltd. The Company may exercise its option under the Uranium Put and Sale Agreement at any time at its sole discretion. See also *"Liquidity and Capital Resources"* for further information.

The Corporation in the last quarter and to date has participated in various data rooms of oil and gas assets in Colombia, Peru, USA and Canada. The Corporation is presently also engaged with potential sellers of assets which fit our objectives. The Corporation will remain active pursuing oil and gas assets in South America with the objective of acquiring asset(s) in the near future.

SELECTED ANNUAL INFORMATION

Selected audited annual information for the three most recently completed years, all reported under IFRS, are as follows:

	March 31, 2017 ($)	March 31, 2016 ($)	March 31, 2015 ($)
Interest and other income	**-**	-	13
General & administrative expense	**31,591**	182,787	173,842
Net and comprehensive loss	**(156,934)**	(315,003)	(321,810)
Cash	**4,707**	2,734	4,555
Total assets	**1,524,990**	1,520,315	1,504,414
Working capital deficiency	**(2,624,198)**	(2,468,992)	(2,145,614)
Total long-term liabilities	**102,010**	100,282	98,572
Common shares, end of year	**51,137,679**	51,137,679	51,137,679

SELECTED QUARTERLY INFORMATION

The summary below highlights selected quarterly information:

	2018 ($)		2017 ($)				2016 ($)	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Interest and other income	-	-	-	-	-	-	-	-
Net income (loss)	**(818,161)**	(1,093,253)	(89,717)	(90,199)	(81,180)	(73,840)	(73,826)	(83,839)
General & administrative expense	**737,862**	344,424	108,489	52,047	46,692	39,909	42,304	48,844
Exploration and evaluation expense	-	-	-	5,438	2,123	2,216	-	3,187
Loss per share (basic and fully diluted)(1)	**0.02**	0.07	0.02	0.02	0.02	0.02	0.02	0.02
Total assets	**2,682,392**	3,533,884	1,524,990	1,523,683	1,521,440	1,519,232	1,520,315	1,523,516
Working capital (deficit)	**(657,269)**	154,996	(2,624,198)	(2,713,727)	(2,623,150)	(2,542,402)	(2,468,992)	(2,129,686)
Total long-term liabilities	-	-	102,010	101,578	101,144	100,712	100,282	99,855

Note:

(1) Pursuant to the common share consolidation on April 20, 2017 the number of common shares outstanding have been retroactively adjusted to effect the consolidation.

RESULTS OF OPERATIONS

The Company is evaluating surface exploration and drilling programs with respect to the Uranium Zone Project; however, there are no specific significant projects, contemplated exploration, development or production activities or material planned capital expenditures at this time. Management of the Company is currently focused on potential oil and gas asset acquisition opportunities to diversify its asset holdings. In the event the Company completes the acquisition of additional assets, it will determine whether it will dispose of the uranium assets pursuant to the Uranium Put and Sale Agreement at that time.

The material components of exploration and evaluation assets or expenditures for the last two completed financial years are as follows and are attributable to the Uranium Zone Project:

	March 31, 2017	March 31, 2016
Opening balance	$1,233,723	$1,223,638
Additions	-	10,085
Closing balance	$1,233,723	$1,233,723
Allocation		
Mining claims	134,000	134,000
Mineral properties	1,099,723	1,099,723
Closing balance	$1,233,723	$1,233,723

GENERAL AND ADMINISTRATIVE EXPENSE ("G&A")

	For the three months ended September 30,		For the six months ended September 30,	
	2017	2016	**2017**	2016
Management compensation	**$52,500**	$37,500	**$87,500**	$75,000
Professional services	**598,953**	3,308	**833,184**	6,308
Office and travel	**71,582**	-	**105,645**	16
Filing, registrar and government fees	**14,827**	5,884	**55,957**	5,277
	737,862	46,692	**1,082,286**	86,601

Following the restructuring the Company's G&A increased significantly in the three and six months ending September 30, 2017 compared with the same period the previous year due to new business development activity. Professional services costs during the three and six months ended September 30, 2017 include legal, engineering and financing consultancy for evaluating and negotiating potential acquisitions of international oil and gas assets, which included the payment of a fee in the amount of $200,000 to a financial advisor in connection with the evaluation of a potential acquisition and associated financing. Likewise, travel and office rental in Canada and Latin America resulted in the increased office and travel expenditures.

EXPLORATION AND EVALUATION ACTIVITIES

The Company focussed on business development activities during the quarter, specifically on evaluation of international oil and gas opportunities. The associated consulting costs are included in general and administrative expense. A field visit to the uranium property by the independent engineer was completed in the second quarter in respect of the Uranium Zone Technical Report and an updated report was filed on SEDAR on October 31, 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the development stage and therefore has no regular cash flow. As at September 30, 2017, the Company had a working capital deficit of $657,269. Working capital includes loans due to 1262430 Alberta Ltd. and to Soto Enterprises Ltd. in the principal amounts of $1,304,050 and $575,389, respectively, pursuant to amended and restated loan agreements dated May 3, 2017 between the Company and each of 1262430 Alberta Ltd. and Soto Enterprises Ltd. (the "**Amended Loan Agreements**").

The Amended Loan Agreements provide that no interest is payable on principal amounts thereunder and that the principal amounts may be fully discharged in exchange for the transfer of all of the Company's uranium assets and associated liabilities to 2037881 Alberta Ltd. pursuant to the Uranium Put and Sale Agreement. Each Amended Loan Agreement also provides that the sole recourse for the repayment of the principal amount is to demand delivery of the uranium assets following the maturity date (December 31, 2017) or only in the event of an un-remedied event of default under the Amended Loan Agreements. However, the Company has the option to repay the principal amount under each Amended Loan Agreement in cash at any time. In the event the Company elects to not dispose of the uranium assets pursuant to the Uranium Put and Sale Agreement, it intends to repay the loans through a combination of cash on hand and with funds raised from future equity and/or debt financings.

1262430 Alberta Ltd. and Soto Enterprises Ltd. each own directly or indirectly an interest in 2037881 Alberta Ltd. Former directors and officers of the Company are shareholders and directors of 1262430 Alberta Ltd., Soto Enterprises Ltd. and 2037881 Alberta Ltd., respectively; however, these entities are not considered to be related parties to the Company as at the date hereof.

As of the date hereof the loans remain outstanding. The Company plans to rectify the working capital deficit by either exercising its option under the Uranium Put and Sale Agreement or through additional equity or debt financing should management decide to retain and further develop its uranium assets.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements as at September 30, 2017, nor have any such arrangements been entered into by the Company as of the date of this MD&A.

TRANSACTIONS WITH RELATED PARTIES

During the three and six months ended September 30, 2017 and 2016, the Company had the following related party transactions:

A company controlled by an officer of the Company provided financial management services to the Company. During the three and six months ended September 30, 2017 fees and disbursements incurred for amounts due to this officer totaled $22,500 (2016 - nil) and $37,500 (2016 - nil) respectively. As of September 30, 2017, $Nil (2016 – $Nil) is outstanding in accounts payable.

A company controlled by a shareholder and director provided CEO services to the Company. During the three and six months ended September 30, 2017 fees and disbursements incurred for amounts due to this director totaled $30,000 (2016 – nil) and $50,000 (2016 - nil) respectively. As of September 30, 2017, $Nil (2016 – $Nil) is outstanding in accounts payable.

During the six months ended September 30, 2017, the Company advanced USD $40,000 to cover travel expenses of key management personnel. At September 30, 2017, USD $16,757 (CAD $20,913) is included in accounts receivable.

All of the above transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

The Company continues to evaluate oil and gas acquisition opportunities although to date no transactions have been completed.

The Company intends to seek an extension of the option expiry date under the Uranium Put and Sale Agreement and the maturity dates under the Amended Loan Agreements, which is currently December 31, 2017, respectively, to provide the Company additional time to determine an appropriate program to protect the standing of the lands with respect to the uranium assets, which may include drilling a test well in mid-2018.

If a cost-effective program can be designed and the Company can reach an agreement to extend the option expiry date and the maturity dates, any decision on the exercising of the option under the Uranium Put and Sale Agreement will be deferred until the results of that program are available. At that time, if the Company elects not to exercise the option, it intends to repay the loans through a combination of cash on hand and with funds raised from future equity and/or debt financings.

Following the maturity date, 126430 Alberta Ltd. and Soto Enterprises Ltd. are able to demand delivery of the uranium assets for repayment of the loans. The impact would be removal of the assets and associated liabilities from the Company's balance sheet; however, the repayment of the loans would have a positive impact on the Company's working capital and liquidity.

CRITICAL ACCOUNTING ESTIMATES

This MD&A should be read in conjunction with the Company's audited financial statements and related notes for the twelve months ended March 31, 2017 wherein a more detailed discussion of accounting estimates is presented.

RISKS AND UNCERTAINTIES

The Company's business consists of the exploration, evaluation and development of mineral properties and is subject to certain risks. The risks described below are not the only risks facing the Company and other risks now unknown to the Company may arise or risks now thought to be immaterial may become material. No guarantee is provided that other factors will not affect the Company in the future. Many of these risks are beyond the control of the Company.

An investment in the Common Shares involves a number of risks. In addition to the other information contained in this MD&A, investors should give careful consideration to the following, factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this MD&A. If any of the following events described as risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Company would *likely suffer, possibly materially. In that event, the market price of the Common Shares could decline and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may also impair or have a material adverse effect on the Company's operations. In addition to the risks described elsewhere and the other information contained in this MD&A, prospective investors should carefully consider each of and the cumulative effect of all of the following risk factors. References in the below Risk Factors to "we", "our" or "us" refer to the management of the Company.*

Limited History of Operations

The Company has had a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. An investor should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Risks Inherent in Acquisitions

It is part of the Company's corporate strategy to actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of the Company's key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause the Company not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on its financial condition.

Management of Growth

Any expansion of the Company's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the Company will be able to manage growth successfully. An inability of the Company to manage growth successfully could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may expand its operations through the acquisition of additional assets, businesses, products or technologies that it believes will complement its current or future business. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional assets or businesses or successfully integrate any acquired assets, businesses, products or technologies into the Company without substantial expenses, delays or other operational or financial problems. If a strategy of growth through acquisition is pursued, the failure of the Company to manage this strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Dilution and Future Sales of Common Shares

The Company is in the exploration stage of its corporate development; it owns no producing properties and, consequently has no current operating income or cash flow from the properties it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of the Company are primarily funded by equity subscriptions. The Company may issue additional shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series and shareholders will have no pre-emptive rights in connection with further issuances. The directors of the Company have the discretion to determine the provisions attaching to any series of Preferred Shares and the price and terms of further issuances of Common Shares, subject to compliance with applicable corporate and securities laws and stock exchange regulations.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the exploration, development and production of minerals, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Uncertainty of Exploration and Development Projects

The future development of Uranium Zone Project or any of the Company's future projects will require extensive drilling, testing, the construction and operation of a mine, processing plants and related infrastructure. As a result, the Company is subject to all of the risks associated with establishing mining operations including:

- the timing and cost, which will be considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour, power, water, transportation and mining equipment;
- costs of operating a mine in a specific environment;
- the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;
- adequate access to the site; and
- unforeseen events.

It is not unusual in a new mining operation to experience unexpected problems and delays during the construction and development of the mine. In addition, delays in the commencement or expansion of mineral production often occur and, once commenced or expanded, the production of a mine may not meet expectations or estimates set forth in a feasibility study. Accordingly, there are no assurances that the Company will successfully develop mining activities at its properties.

Uninsured Risks Exist and May Affect Certain Values

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Key-Man and Liability Insurance Factors Should be Considered

The success of the Company will be largely dependent upon the performance of its key officers. The Company has not, as yet, purchased any "key-man" insurance with respect to any of its directors, officers, key employees and has no current plans to do so.

Although the Company may obtain liability insurance in an amount which management considers adequate, the nature of the risks for mining companies is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Ability to Attract and Retain Qualified Personnel

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, they will require additional key financial, administrative and operations personnel. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Factors Beyond Company's Control

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of the Company. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and processing facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Government Regulation and Permitting

The future operations of the Company, including development activities, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, water use, environmental protection, land claims of local people, mine safety and other matters.

Such exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that will require the Company to obtain permits, licences and approvals from various governmental agencies. There can be no assurance, however, that all permits, licences and approvals that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

Environmental Risks and Hazards

The Company's activities are subject to extensive national, provincial, and local laws and regulations governing environmental protection and employee health and safety. The Company is required to obtain governmental permits and provide bonding requirements under environmental laws. All phases of the Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner, which will require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Environmental laws and regulations are complex and have tended to become more stringent over time. These laws are continuously evolving. The Company is not able to predict the impact of any future changes in environmental laws and regulations on its future financial position due to the uncertainty surrounding the ultimate form such changes may take.

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted.

Other Tax Considerations

The Canadian federal and provincial tax treatment of natural resource activities has a material effect on the advisability of investing in mining companies. The ability of the Company to claim and collect tax credits relating to its natural resource activities and the return on an investment in Common Shares will be subject to applicable tax laws. There can be no assurance that applicable tax laws will not be amended so as to fundamentally alter the tax consequences of claiming and collecting tax credits and holding or disposing of the Common Shares.

Aboriginal Land Claims and Consultation Issues

The properties that form part of the Uranium Zone Project may be the subject of land claims by aboriginal groups. Management of the Company is not aware of any such claims. However, there is no assurance that such claims will not arise in the future.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance or the underlying asset values of prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Price Volatility of Publicly Traded Securities

Securities of exploration and mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or in the Company's financial condition or results of operations as reflected in quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Company's shares include the following:

- the extent of analyst coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities;
- limited trading volumes and general market interest in the Company's securities may affect an investor's ability to trade the Company's shares; and
- the relatively small number of publicly held shares may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the Company's shares at any given point in time may not accurately reflect the Company's long-term value.

Conflicts of Interest

There are potential conflicts of interest which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in the mineral exploration or mining industry, and situations may arise where directors, officers and promoters will be in direct conflict with the Company. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under, the ABCA and the applicable statutes of the jurisdictions of in Company of the Company's subsidiaries.

SHARE DATA

The authorized capital of the Company consists of an unlimited number of Common Shares.

As at September 30, 2017 and the date hereof there were 35,770,332 Common Shares issued and outstanding.

As at September 30, 2017 and the date hereof there were 10,000,000 warrants outstanding.

As at September 30, 2017 and the date hereof there were 3,500,000 stock options outstanding.