



MANAGEMENT DISCUSSION & ANALYSIS

**FOR THE YEAR ENDED
JUNE 30, 2018**

Introduction

The following discussion is management's assessment and analysis of the results and financial condition of Ximen Mining Corp. ("Ximen", or "the Company") and should be read in conjunction with the accompanying audited financial statements for the year ended June 30, 2018 and related notes.

These financial statements have been prepared using accounting policies consistent with IFRS as issued by the International Accounting standards Board ("IASB").

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is October 27, 2018. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Description of Business

Ximen Mining Corp., ("the Company") is an exploration company engaged in exploration and evaluation of resources properties. In this regard, the Company's plan is to acquire properties of merit and take them through the exploration phase and hopefully through feasibility and on to construction and operations.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company's shares are listed on the TSX Venture Exchange under the symbol XIM.V, on the Frankfurt Exchange under the symbol A1W2EG, and on the US OTCQX, under the symbol XXMMF.

The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

Overall Performance

The level of the Company's future operations will be determined by the availability of capital resources, which will be derived from the issuance of special warrants and future financings.

- The Company has incurred recurring losses since its inception, and had an accumulated deficit of \$17,573,754 as at June 30, 2018 which has been funded primarily by the issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

Share Issued for Cash

Shares Issued for Cash

- In December 2017, the Company completed a non-brokered private placement of 2,810,000 units (562,000 units post consolidation) at a price of \$0.05 per unit for gross proceeds of \$140,500. The units of the financing comprise one flow-through common share and one full flow-through share purchase warrant, which may be exercised for a period of five years at a price of \$0.05 (\$0.25 post consolidation) per share. The term of the warrants may be accelerated in the event that the shares trade at or above a price of \$0.10 (\$0.50 post consolidation) per share for a period of ten consecutive days.
- February 2018, the Company completed a non-brokered private placement of 2,160,000 units at a price of \$0.125 per unit for gross proceeds of \$270,000. Each unit consists of one common share transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 18 months from the date of issue, one additional common share of the Issuer at an exercise price of \$0.18 per share. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of \$0.10 cents per share for a period of 10 consecutive days. In such case of accelerated warrants, the issuer may give notice, in writing or by way of news release, to the subscribers that the warrants will expire 30 days from the date of providing such notice.
- In April 2018, the Company completed a non-brokered private placement of 1,340,000 units at a price of \$0.125 per unit for gross proceeds of \$167,500. The units of the financing comprise one common share and one full share purchase warrant, which may be exercised for a period of 18 months at a price of \$0.18 per share.

Shares Issued for Mineral Properties

- In July and August 2017, the Company issued, respectively, 1,000,000 (200,000 post consolidation) and 400,000 (80,000 post consolidation) common shares pursuant to the acquisition of the Providence Property. The fair value recognized of, respectively, \$35,000 and \$18,000, were based on the closing quoted market price of the Company's share at the date of issuance.
- In October 2017, the Company issued 6,000,000 (1,200,000 post consolidation) common shares as per the amended agreement on the Brett Gold Property. The fair value recognized of \$210,000 was based on the closing quoted market price of the Company's share at the date of issuance.
- In February 2018, the Company issued 352,900 common shares as per the option agreement to acquire a 100% interest in the net smelter royalty ("NSR") on the Brett Gold Project. The fair value recognized of \$59,993 was based on the closing quoted market price of the Company's share at the date of issuance.

Exploration Project

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

On December 3, 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$1,000,000, issuing 1,000,000 common shares, and issuing additional common shares of the Company with an aggregate deemed value of \$350,000 as follows:

		Number of Shares (Post Consolidation)	Cash \$
On execution of agreement	(Paid)	-	50,000
By December 18, 2013	(Paid)	-	50,000
By December 23, 2013	(Issued – fair valued at \$290,000)	200,000	-
By January 17, 2014	(Paid)	-	200,000
By January 05, 2015	(Paid)	-	300,000
By January 05, 2015	(Issued – fair valued at \$126,000)	140,000	-
By December 03, 2015	(Paid)	-	400,000
By December 03, 2015	(Issued – fair valued at \$166,667)	66,667	-
		<u>1,006,667</u>	<u>1,000,000</u>

The Company has earned a 100% undivided interest as it has complied with all the terms of the option agreement

On January 24, 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty (“NSR”) on the Brett Gold Project. The agreement was amended on February 14, 2017 and May 17, 2017 under the following amended terms: the issuance of \$50,000 worth of the Company’s common shares based on a ten day weighted average upon signing of the amended agreement, the issuance of \$420,000 worth of the Company’s common shares upon TSX approval of the amended agreement, the payment or issuance of \$60,000 in cash or common shares of the Company on February 18, 2018 and \$75,000 on February 18, 2019, and final cash payment of \$830,000 payable by February 20, 2020:

		Number of Shares (Post Consolidation)	Cash \$
By February 20, 2014	(Issued – fair valued at \$30,000)	20,000	-
By February 20, 2015	(Issued – fair valued at \$49,077)	51,660	-
By February 20, 2016	(Issued – fair valued at \$67,739)	225,800	-
By February 18, 2017	(Issued – fair valued at \$56,601)	125,780	-
Upon TSX Approval	(Issued – fair valued at \$420,000)	1,200,000	-
By February 18, 2018	(Issued – fair valued at \$60,000)	352,900	-
By February 18, 2019		-	75,000
By February 20, 2020		-	830,000

1,976,140 905,000

During the year ended June 30, 2018, the Company issued 1,352,900 common shares (2017 – 125,750 common shares) pursuant to the terms of the option agreements.

Additional adjoining claims, including the former Gold Star property to the west were acquired by Ximen Mining Corp. in 2014

Past exploration work carried out to date on the Brett Property has confirmed the presence of a number of significant gold bearing mineralized zones associated with northerly trending altered shear/fracture zone(s). Previous work (primarily from the early 1980s to 2004), summarized in a 43-101 report dated April 21, 2004, consisted of geochemical surveys, trenching, 10,000 meters (m) (32,900 feet) of diamond drilling, 2,800 meters (9,300 feet) of reverse circulation drilling, and 459 meters (1506 feet) of underground development.

The majority of work has been concentrated in a small area (200 m strike and 76 meters depth) of the property, along what is known as the Main Shear Zone- RW vein. One hole drilled on the property, Hole 93-19, a reverse circulation hole, returned an intersection of 16.76 m grading 35.79 gms Au/tonne (1.045 oz Au/ton) including 3.048 m grading 57.88 grams Au/tonne (1.69 oz Au/ton) and 4.57 m grading 107.88 gms Au/tonne (3.15 oz Au/ton) within the Main Shear Zone.

In 1996 (291 tonne) bulk sample, from the RW vein and Main Shear Zone, was shipped to Trail and returned an average grade 27.74 gms Au/tonne and 63.7 gms Ag /tonne. Work was stopped in late 1996 and the property was tied up in litigation for several years.

To date, the Main Shear Zone has been traced for a strike length of over 1,300 meters and down dip to a depth of 150 meters (possibly as deep as 500 meters, based on a single hole drilled on the neighboring property) and is wide open in all directions. In addition to the Main Shear Zone, the local geology and geochemistry indicates excellent exploration potential for developing other mineralized zones. Gold mineralization on the property appears to be a strongly related to the intersections between flat lying inter unit polymictic tuffaceous horizons and the northerly trending altered shear/fracture zone(s).

Highlights of the Brett project prior to Ximen's involvement

- The property has seen high grade gold production from bulk sampling, with 96% recovery.
- 43-101 completed by Shaun Dykes late 2004
- No work has been conducted on the area of main shear from late 2004 till spring 2014 Ximen enters
- 100's of meters of underground workings on the property.

Based on the review of all available data, combined with information gained from a property inspection, the Brett property hosts epithermal style gold mineralization containing coarse gold and has potential of hosting a gold deposit. Epithermal gold mineralization on the Brett property is hosted within the Eocene volcanics, Mineralization, and related alteration, is controlled by northwest and north-trending, steeply west dipping structures and by more permeable (volcanic breccia or tuffaceous) units within the Eocene stratigraphy.

There is excellent infrastructure and access along well maintained paved and gravel roads. Since custom milling opportunities exist in the district, the property does not necessarily need to support a stand-alone mine/mill operation to be viable. A small or modest tonnage of high-grade ore could potentially be profitable to extract.

During the summer of 2014, the Ximen completed historic data compilation program and a field exploration program consisting of geochemical sampling, mapping, compilation reports, and geophysical survey to establish drill targets for a fall drill program. Then in September commenced a diamond drill program focused on new opportunities outside of the main shear where all the previous drilling was focused, results from the 13 holes completed were released in 2015.

Ximen's 43-101 prepared by Marek Mroczek, P.Eng completed in April 2017 made the following recommendations. In addition to field work it is recommended:

- Upgrade the roads to make better access to the exploration area

- Conduct the adit rehabilitation for access to drill exploration and underground drill holes
- Drill three to six drill holes on each target with drill hole directions perpendicular to the strike direction of the target
- When logging the core, record any fault as interval data and not just as point data
- Establish an onsite station with hard copies of maps, plans and drill hole data to facilitate their access during the field work Ximen Mining Corporation, NI 43-101 Technical Report, The Brett Gold Project. 76
- Explore any outcropping mineralization on surface and alteration structure
- Use a handheld XRF machine analyser to obtain preliminary Au, Ag, Mo results and thus follow up drilling if so warranted
- Obtain laser topographic scanning (Lidar) map for the topographic surface. A Lidar scanned map provides the best approximation of true ground conditions
- Drill several twin holes with high gold intersection to prove historical gold assay values To improve the quality of the data it is recommended:
- Resurvey all drill hole collars and shear zones occurring on surface by hiring qualified surveyor and produce a report from the surveying
- Update the header table in the database by adding a field with drill hole type. there are two different drill hole types: reverse circulation drilling and diamond drilling
- Conduct a detailed audit of drill hole database for all entries
- Expand the database by logging more geotechnical rock features such as type of discontinuity, spacing of discontinuities, conditions of discontinuities, groundwater conditions, hardness, roughness, and fracture infilling
- Collect every 20th sample pulp and send to another external laboratory to check assay analyses in order to determine laboratory precision
- Conduct manually geological interpretation of the structural-geological setting and geometry of the gold mineralization on the set of cross sections
- Prepare print outs and store written company exploration QAQC procedure on site so everyone of the team members produce work results in the same manner.

Exploration work by Ximen in 2014 included ground magnetics/VLF-EM, soil geochemistry, biogeochemistry, rock sampling, geological mapping, induced polarization and diamond drilling. The ground magnetic/VLF-EM survey encompassed the main areas of known mineralization on the property. Magnetic signatures were shown to be an effective method of identifying areas of alteration within the Eocene volcanics. The Main Zone, where most of the previous exploration work has been focussed and where high grade epithermal gold mineralization is known, was defined as a modest northwest-trending magnetic low anomaly. A larger magnetic low anomaly occurs west of the Main Zone (the Border Zone), and is open to the west beyond the limits of the survey. The overwhelming feature detected by the magnetic/VLF-EM survey was a large, strong magnetic low anomaly in the northeast quadrant of the grid. The northeast mag-low anomaly measures 1.1 x 1.1 km in size, encompasses strongly altered rocks at the Gossan Zone, and remains open to the north and east beyond the limits of the survey. An induced polarization survey was also completed over the mag-low anomaly. A 1 km long, strong north south trending IP chargeability anomaly was defined at the Gossan Zone. The chargeability anomaly remains open to the south beyond the limits of the survey. A second, sub parallel, chargeability anomaly was also detected, which by the southernmost line of the survey, has merged with the main anomaly to create a chargeability feature that exceeds 1 km in width. At the Border Zone, a moderate to strong multi-element, Au-Ag-As-Hg-Mo-Sb-Se-Te-Tl soil anomaly was defined over an area of approximately 250 m north-south by 100-200 m east west. The anomaly, remains open to the north, south and west, beyond the limits of the survey. A less well defined Au-Ag-Hg-SbTl soil anomaly occurs at the East Zone, with maximum gold values of 290 ppb and 243 ppb Au. This anomaly is effectively controlled by topography and defines the surface expression of a relatively flatlying tuffaceous horizon as it wraps around the steep south facing slope, between two prominent gullies.

Ximen completed a diamond drilling program in 2014 totalling 2,977 metres. Thirteen drill holes were drilled to test geological, geochemical and geophysical targets. All of the holes were drilled to test new targets that were untested, or only minimally tested, by historic work on the property. Widespread alteration was identified in several areas. Some core samples from the drilling program revealed high gold intersections. Two new high-grade gold-bearing zones were identified, with results including 34.18 g/t Au over 0.9 m from one zone and 16.7 g/t Au over 1.5 m from the second. Significant intervals of bulk tonnage gold mineralization were also intercepted, including 1.77 g/t Au over 31m, 1.88 g/t Au over 16.55m and 0.82 g/t Au over 33m.

Ximen completed a diamond drilling program in 2016, consisting of 16 holes totaling 2,363 metres. The program tested specific targets determined by cross section geological interpretation. Drill core logging and sampling extended into early 2017. Some core samples from the drilling program returned high grade gold values. High grade drill intersections included 18.95 g/t Au over 1m in drill hole 16-1, 13.35 g/t Au over 0.58m in drill hole 16-11, and 16 g/t Au over 0.39m in drill hole 16-21.

Ximen conducted collected rock samples (chip and grab samples) during 2017 from the RW Pit and Trench 21. The highlight was a chip sample (approximately 1 metre square) from the RW pit returning 6.31 g/t gold.

b) Gold Drop Property, British Columbia, Canada

On June 21, 2016, the Company entered into an option agreement with GGX Gold Corp. (“GGX”) (formerly Revolver Resources Inc.) to sell its 100% interest in the Gold Drop Property. GGX is required to make cash option payments totalling \$400,000, issue 1,000,000 common shares, issue additional common shares with a fair value of \$450,000, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$50,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture (received); and
- \$100,000 on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019.

Share Payments:

- 1,000,000 common shares within five business day following the approval by TSX Venture (received); and
- Additional common shares with a fair value of \$150,000 per year on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019.

Exploration Expenditures:

- A minimum of \$1,000,000 on the property on or before July 26, 2019, but not less than \$150,000 per year on the property on or before July 26, 2017, July 26, 2018, and July 26, 2019.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which GGX may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with GGX by paying to GGX the amount of money equal to 30% of the total amount expended on the Property by GGX. If the Company exercises this joint-venture right, the Company and GGX will enter into a joint venture for the exploration and development of the Property.

The transaction was approved by TSX Venture on July 26, 2016.

GGX has a common director and officer of the Company.

In January 2014 a 43-101 report on the Gold Drop property by Linda Carron on behalf of Ximen

- The property covers geologically prospective ground in the well-mineralized Greenwood District, and hosts 8 or more known low-sulfide, gold-bearing veins or vein systems, including the North Star, Gold Drop, Amandy, Lakeview and Moonlight occurrences
- The property has seen high grade gold production as recent as the 1980's
- 100's of meters of underground workings on the property
- Since custom milling opportunities exist in the district, the Gold Drop property does not necessarily need to support a stand-alone mine/mill operation to be viable.
- Potential also exists on the claims for low-grade, bulk-tonnage gold mineralization related to broad fracture or stock work zones. Ximen has acquired the property on the basis of both its exploration and mining potential.

- There has been intermittent small-scale historic production from the property at the Gold Drop, North Star and Amandy mines. Historical production totals 7572 tonnes at an average grade of 5.2 g/t Au and 93.4 g/t Ag. The average mined grade is significantly affected by a large volume of very low grade material that was removed from the North Star mine in 1934-35. Omitting production from these years, the average grade for the remaining 2,505 tonnes mined from the property is 13.1 g/t Au and 133.7 g/t Ag.
- Excellent infrastructure and access

In February 2014, Ximen received an approved Notice of Work permit from the Ministry of Energy and Mines for Phase 1 exploration work on the Gold Drop property. The approved work permit is a multi-year permit, valid until Dec 1, 2018, which enables the company to establish up to 20 drill sites and up to 25 excavator trenches on the property. The primary purpose of the work permit is to allow the Company to identify areas for bulk sampling. The land package that has been assembled is comprised of 26 claims and 9 crown grants that cover an area of approximately 12,870 hectares.

In the summer of 2014, the Company carried out extensive work consisting of partially brushing out 10km of existing roads for 4x4 access, examining numerous historical shallow pits, adits, including mine workings with 200 foot shafts and historical minor diamond drilling. Over one kilometre of veins were mechanized/excavator trenched.

There are at least six parallel veins semi-exposed on surface and underground, they average in excess of 300 metres (1000 feet) on strike not including unknown faulted and buried ones.

In the summer of 2015 the company conducted a work program of mapping and rock sampling. The Company collected samples in the eastern region of the Project, mainly from trenches previously excavated by the Company. These trenches were excavated in the area of the gold and silver bearing Gold Drop and North Star vein system and their respective underground workings. The highlight was a sample from a block of quartz – galena vein material, excavated from one trench near the Upper North Star Adit, which returned 159 grams per tonne gold and 744 grams per tonne silver (news release dated September 18, 2015).

The full text of all news releases, accompanying assay tables, and other technical information are available on the Company's website at ximenminingcorp.com and sedar.com

In 2017, Ximen's Joint Venture partner GGX Gold Corp. undertook a comprehensive exploration program on Ximen's Gold Drop Property. The exploration program consisted of trenching, surface sampling and diamond drilling (31 holes totalling 1,517 meters). During May 2017, GGX Gold collected multiple rock samples at the Gold Drop Southwest zone. GGX located the C.O.D. vein and historical C.O.D. shaft and other historical trenches and pits in this area during May. Rock samples were collected during the program at the C.O.D. vein at and close to the C.O.D. shaft; and from quartz veins northeast and northwest of the C.O.D. shaft. Of the 20 initial rock samples collected the company seven of these samples exceeded one gram per tonne gold with one sample from newly exposed quartz assaying 14.10 g/t gold and one from the COD vein assaying 19.95 g/t gold. An excavator trenching program exposed over 80 metres of vein on both sides of the COD shaft. Channel sample analytical results were received from the sampling program of the COD vein.. The vein has been channel sampled at 1.5-metre intervals across an average sample width of one metre. 52 samples returned anomalous to high-grade values for gold ranging from 0.2 gram per tonne to 43.2 grams per tonne gold. GGX discovered another mineralized vein referred to as the Everest vein approximately 600 metres southwest of the COD vein work site. Chip samples across the approximate 0.4 metre wide vein returned up to 52.8 g/t gold and 377 g/t silver. A grab sample from a quartz vein boulder broken from the exposure by the excavator returned 81.8 g/t gold and 630 g/t silver.

In July 2017, GGX Gold commenced a diamond drill program targeting the COD vein in the Gold Drop Southwest zone. Drilling was conducted from drill pads adjacent to the 160 metre long trench vein exposure.. Significant gold intersections included (core length):

- COD17-3: 24.1 g/t Au and 192 g/t Ag over 0.48m
- COD17-9: 7.37 g/t Au and 55 g/t Ag over 0.73m
- COD17-9: 14.85 g/t Au and 164 g/t Ag over 0.35m
- COD17-14: 4.59 g/t Au over 16.03m (including 10.96 g/t Au over 5.97m)

Rock sampling was conducted in the east region of the Gold Drop Property in 2017. A grab sample of quartz from a dump pile at possible the southern Silent Friend showing returned 297 g/t gold and 1290g/t silver.

GGX Gold conducted diamond drilling during March – May 2018 (79 holes totalling 5,222 metres). The program tested the continuation of the COD and Everest veins. Significant gold intersections from this drilling program include (core length):

- COD18-3: 14.62 g/t Au over 2.1 meters
- COD18-26: 10.3 g/t Au over 1.4 meter recovered core (within 2.35 meter interval)
- COD18-28: 11.3 g/t Au over 0.51 meters
- COD18-33: 8.65 g/t Au over 2.98 meters
- COD18-34: 6.16 g/t Au over 3.41 meters
- COD18-37: 8.23 g/t Au over 3.95 meters
- COD18-45: 50.1 g/t Au over 2.05 meters
- COD18-46: 54.9 g/t Au over 1.47 meters
- COD18-49: 9.52 g/t Au over 1.47 meters
- COD18-54: 7.60 g/t Au over 1.66 meters
- EVE18-5: 10.55 g/t Au over 0.45 meters
- EVE18-12: 12.45 g/t Au over 0.85 meters

c) Treasure Mountain Property, British Columbia, Canada

In March 2014, the Company entered into an option agreement whereby the Company acquired a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia by making cash payments as follows: \$75,000 cash upon signing of the agreement (paid) and \$50,000 cash due 90 days after the signing of the agreement (paid).

In 2014, the Company also acquired a 100% interest in three surrounding mineral claims for cash payments of \$70,000 (paid).

On December 7, 2016, the Company acquired a mineral tenure claim north of Treasure Mountain Property for cash payment of \$15,000 (paid) from a director of the Company. The agreement is subject to a 2% net smelter return royalty (“NSR”) payable to the vendor.

On November 30, 2016, the Company entered into an option agreement with New Destiny Mining Corp (“New Destiny”) to sell its 100% interest in all mineral claims which comprise the Treasure Mountain Property. New Destiny is required to make cash and or issue common shares totalling \$400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$25,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture;
- \$75,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) per year on or before the first, second, and third anniversaries of the approval by TSX Venture; and
- \$100,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) on or before the fourth anniversary of the approval by TSX Venture.

Share Payment:

- 500,000 common shares with a minimum fair value of \$50,000 within five business day following the approval by TSX Venture.

Exploration Expenditures:

- Annual minimum exploration expenditures of \$100,000, \$150,000, \$250,000, and \$250,000 on the property in each year ending on or before the first, second, third, and fourth anniversaries, respectively, of the approval by TSX Venture.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which New Destiny may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with New Destiny by paying to New Destiny the amount of money equal to 30% of the total amount expended on the Property by New Destiny. If the Company exercises this joint-venture right, the Company and New Destiny will enter into a joint venture for the exploration and development of the Property

On November 9, 2017, the transaction has been approved by TSX Venture.

New Destiny has a common director and officer of the Company.

The Treasure Mtn. Silver Project covers geologically prospective ground in the Similkameen and / or New Westminster Mining Divisions. The Project is adjacent to Nicola Mining Inc.’s Treasure Mountain property, site of the historic Treasure Mountain Silver-Lead-Zinc Mine (polymetallic veins). The Project also occurs within the Intermontane Tectonic Belt, which hosts numerous porphyry copper deposits. The Project covers an area of approximately 10,700 hectares and hosts at least seven gold, silver, lead, zinc and / or copper occurrences in various regions as reported in the B.C. Ministry of Energy and Mines MINFILE database. These include gold-quartz vein, polymetallic vein and porphyry type occurrences. Some of these mineral occurrences have associated historic underground workings.

In 2014, the Company conducted prospecting and rock sampling in the northeast region of the property. A quartz float sample collected at an historic adit along Jim Kelly Creek returned 9.59 g/t gold. Copper mineralization was located further south at an historic adit in the area of the Superior (Lucky Todd) occurrence. A boulder sample returned 0.636% copper. Another grab sample, reported to be from outcrop, returned 0.308% copper.

In October 2015, the Company conducted a program of prospecting as well as soil and till sampling in the northeast region of the Project (news release dated October 21, 2015). The till samples were collected using an overburden drill. The 2015 soil and till geochemical survey was conducted in the northeast region of the property, north of Railroad Creek and west of Tulameen River / Vuich Creek. The Superior (Lucky Todd) copper - gold occurrence is reported in this area (B.C.MINFILE No. 092HSE240). At this occurrence gold and copper mineralization were reported in a quartz porphyry dyke with a 5 foot sample reported to assay 0.02 ounce gold (1913 Annual Report of Minister of Mines). In 2012 Canadian International Minerals Inc. reported adits in this target area and copper mineralization in the adjacent rock dumps and outcrop with a few dump grab samples reported to exceed 1% copper while also assaying 76 and 69 g/t silver.

In May 2016 the Company announced the analytical results for the program conducted in October of 2015. The analytical results identified copper soil anomalies in this northeast region including samples in two areas exceeding 100 ppm copper. In one area some samples were anomalous for lead (up to 378 ppm Pb) and zinc (up to 391 ppm Zn).

The Company conducted additional till sampling and prospecting in the east region of the property during 2016. In the east region of the property a grab sample from a newly discovered quartz vein exposure returned 1.15 g/t gold. Local till samples from the southeast region of the property returned anomalous values for gold, silver, copper and / or lead.

New Destiny Mining Corp. conducted rock, soil and till geochemical sampling during 2017 in the east and southeast regions of the property. Multiple rock samples returned anomalous values for gold. The highlight was a grab sample from a silicified porphyritic dyke within an historic pit that returned 6.24 g/t gold. This is in the Vuitch Creek area in the area of the Superior occurrence. Local soil samples in this area returned anomalous values for gold and copper.

The full text of all news releases, accompanying assay tables, and other technical information are available on the Company's website at ximenminingcorp.com and sedar.com

d) Bouleau Property, British Columbia, Canada

On July 15, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Bouleau Property which is adjacent to the Company's Brett property located near Vernon, British Columbia. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling US\$250,000, and issuing additional common shares of the Company with an aggregate deemed value of \$300,000 as follows:

		Number of Shares (Post Consolidation)	Cash US\$
On September 05, 2014	(Paid)	-	100,000
On September 05, 2014	(Issued – fair valued at \$102,174)	43,478	-
By March 05, 2015	(Paid)	-	50,000
By March 05, 2015	(Issued – fair valued at \$67,211)	96,015	-
By September 30, 2015	(Paid)	-	50,000
By September 30, 2015	(Issued– fair valued at \$46,260)	264,340	-
By March 05, 2016	(Paid)	-	50,000
By March 05, 2016	(Issued – fair valued at \$72,545)	241,818	-
By September 05, 2016	(Issued – fair valued at \$82,944)	107,025	-
		3752,677	US\$250,000

During the year ended June 30, 2017, the Company earned a 100% undivided interest by making the final share issuance payment, therefore, complying with all the terms of the option agreement

e) Dentonia Property, South, British Columbia, Canada

On August 29, 2014, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 30,000 common shares (fair valued at \$51,000 - issued).

f) Providence Property, British Columbia, Canada

On April 18, 2017, the Company entered into a purchase and sale agreement with arm's length vendors. Pursuant to the agreement, the vendors agreed to sell and the Company agreed to purchase two mineral tenure claims adjacent to the Company's Gold Drop Property situated near Greenwood, B.C, in consideration the Company agreed to issue an aggregate of 1,000,000 common shares to such vendors.

On July 17, 2017, the Company completed a purchase and sale agreement with arm's length vendor. Pursuant to the agreement, the vendor agreed to sell and the Company agreed to purchase three mineral tenure claims adjacent to the Company's Gold Drop Property situated near Greenwood, B.C, in consideration the Company agreed to issue an aggregate of 400,000 common shares (issued) to such vendor.

Reclamation Bonds

The Company posts non-interest bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on its mineral properties. The funds are held in trust and may be released after required reclamation is satisfactorily completed.

As at June 30, 2018, the amount on deposit was \$52,500 (2017-\$44,000) with respect to the Brett Property (\$31,000), Gold Drop Property (\$16,500), and Treasure Mountain Property (\$5,000).

Property and Equipment

	Computer \$	Mining Equipment \$	Office Furniture \$	Total \$
COST				
Balance, June 30, 2016	5,217	195,476	4,000	204,693
Additions	-	12,000	-	12,000
Dispositions	-	(195,476)	-	(195,476)
Balance, June 30, 2017	5,217	12,000	4,000	21,217
Additions	-	20,000	-	20,000
Balance, June 30, 2018	5,217	32,000	4,000	41,217
ACCUMULATED DEPRECIATION				
Balance, June 30, 2016	4,379	135,678	3,497	143,554
Disposition	-	(141,658)	-	(141,658)
Depreciation	838	7,180	503	8,521
Balance, June 30, 2017	5,217	1,200	4,000	10,417
Depreciation	-	6,160	-	6,160
Balance, June 30, 2018	5,217	7,360	4,000	16,577
NET BOOK VALUE				
Balance, June 30, 2017	-	10,800	-	10,800
Balance, June 30, 2018	-	24,640	-	24,640

Marketable Securities

Marketable securities consist of a portfolio of investments held for trading. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market. These marketable securities are comprised of common shares of publicly-traded companies, and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the consolidated statement of operations.

	2018 \$	2017 \$
Opening Balance	220,000	200,000
Marketable Securities Purchased (Cost)	73,405	-
Marketable Securities Received from Property Option Sales	200,000	-
Marketable Securities Sold (Cost)	(237,101)	-
Add: Write-Up (Down) Marketable Securities to Market Value	(119,147))	20,000
	137,157	220,000
Advances from Trading Account	(69,286)	-
	67,871	220,000

Convertible Debentures

	Liability Component \$	Carrying Value Equity Component \$	Net Shares Value \$
Balance, June 30, 2016	809,996	191,859	1,001,855
Conversion of Debentures	(825,905)	(191,859)	(1,017,764)
Accretion	15,909	-	15,909
Balance, June 30, 2017	-	-	-

During the year ended June 30, 2016, the Company issued \$800,000 and \$200,000 of convertible debentures (the “Debentures”) respectively. The principal amount of the Debentures may be converted into units comprised of one common share and one common share purchase warrant of the Company at the option of the holder, at any time prior to the maturity dates on December 24, 2020 and January 14, 2021 respectively (the “Maturity Dates”), at \$0.05 per unit in the first year after issuance, and \$0.10 per Unit thereafter. Each warrant will have an exercise term of two years from the date of conversion, with an exercise price of \$0.05 per warrant for warrants acquired as part of debentures converted within the first year of issuance, and \$0.10 per warrant thereafter.

The convertible debentures are recorded in part as a liability and in part as shareholders’ equity. The Company uses the “residual valuation” method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders’ equity.

The debentures payable are accreted to their face value at maturity over the term of the debt through a charge to operations. For the year ended June 30, 2017, the Company recorded accretion expense in the amount of \$15,909 (2016 - \$14,802), and a gain on conversion of debentures in the amount of \$17,765 (2016 - \$Nil).

During the year ended June 30, 2017, all outstanding debentures were converted into 20,000,000 units.

Results of Operations

Net Gain/Loss and Operating Expenses

During the year ended June 30, 2018, the Company recorded a loss of \$946,703 or 0.05 basic and diluted loss per share, compared to \$2,089,146 or \$0.17 basic and diluted loss per share for the same period last year. The reduction of loss is due to the increase in exploration expense recovery shown in “Other Items” of the Statement of Comprehensive Loss. In comparing operating losses of \$2,464,071 in 2018 to \$2,537,738 in 2017, the Company was consistent in its spending continuing their focus on exploration. Other variances were evident in the areas of professional fees, marketing, rent and stock-based compensation. All the expense categories reflect the Company’s efforts to secure funds and maintain their exploration programs.

<i>Year Ended June,</i>	2018	2017
	\$	\$
Financial results:		
Net loss for the year	(946,703)	(2,089,146)
Basic and diluted gain per share	(0.05)	(0.17)
Balance sheet date		
Cash and cash equivalent	22,988	202,846
Total assets	392,052	509,568
Shareholders’ equity	170,829	209,074

Net loss for the year ended June 30, 2018 decreased by \$1,142,443 when compared to the year end in 2017. The main cause of this decline in loss is a recorded exploration recover in the amount of \$1,513,162 compared to 425,000 in 2017. The Company has numerous agreements in place that allow for receipt of payments for exploration recovery.

General Administrative Expenses

	Three Months Ended		Year Ended	
	2018	June 30, 2017	2018	June 30, 2017
	\$	\$	\$	\$
Audit and Legal	17,332	11,988	168,927	56,203
Advertising and Marketing	19,995	28,461	56,017	143,632
Bank Charges and Interest (recovery)	1,408	10,379	5,091	25,117
Consulting	-	40,650	62,875	50,650
Depreciation	1,540	2,339	6,160	8,521

Exploration	558,248	225,272	1,510,433	1,392,910
Management	60,000	60,000	260,000	220,000
Office and Administration	92,673	65,444	163,440	131,345
Rent	9,000	9,000	36,000	36,000
Regulatory Fees and Transfer Agent	20,315	12,499	47,033	39,672
Stock-Based Compensation	67,713	31,156	67,713	380,425
Travel and Accommodations	39,871	29,025	80,381	51,263
	(888,095)	(526,213)	(2,464,071)	(2,535,738)

Exploration and Evaluation Expenditures

	Three Months Ended		Year Ended	
	2018	June 30, 2017	2018	June 30, 2017
	\$	\$	\$	\$
<u>Brent Property</u>				
Acquisition and staking costs	-	6,601	269,993	56,601
Assay	-	17,466	-	85,987
Drilling	-	-	-	380,931
Geological	1,219	32,632	23,050	180,374
Geophysical	(2,280)	1,710	-	60,355
Equipment, Travel and Other	5,401	17,600	64,520	301,765
	4,340	76,009	357,563	1,066,013
<u>Gold Drop</u>				
Acquisition and staking costs	-	-	-	70,000
Assay	-	-	-	1,063
Drilling	237,039	-	387,890	-
Geological	138,415	43,500	302,576	51,488
Geophysical	-	1,200	-	2,060
Equipment, Travel and Other	259	69,203	356,126	94,859
Option Payments and Exploration Advances Received	(536,425)	-	(1,338,162)	-
	(160,712)	113,903	(291,570)	219,470
<u>Treasure Mountain</u>				
Acquisition and staking costs	-	-	-	15,000
Assay	-	-	5,240	-
Geological	12,618	5,625	57,638	44,625
Geophysical	-	200	-	200
Equipment, Travel and Other	(47,367)	8,483	(13,823)	33,398
Option Payments and Exploration Advances Received	(75,000)	-	(175,000)	-
	(109,749)	14,308	(125,945)	93,223
Bouleau Property-Acquisition	-	18,729	-	82,944
Providence Property-Acquisition and Exploration Costs	431	2,323	57,223	2,323
General Exploration	-	-	-	-
	431	21,052	57,223	85,267
Total Exploration and Evaluation (Recovery) Expenditures	(265,690)	225,272	(2,729)	1,392,910

Other Expenses

	Three Months Ended		Year Ended	
	2018	June 30, 2017	2018	June 30, 2017
	\$	\$	\$	\$
Accretion on Debentures	-	(1,677)	-	(15,909)
BC Mining Exploration Tax Credit	-	-	119,005	71,387
Gain on Conversion of Debentures	-	17,765	-	17,765
Gain on Sale of Equipment	-	-	-	1,183
Interest on Debentures	-	(16,088)	-	(50,001)
Gain (Loss) on the Sale of Marketable Securities	1,977	-	(37,802)	-
Loss on Settlement of Debts	-	(165,012)	-	(127,888)
Mineral Exploration Property Recovery	611,424	-	1,513,162	425,000
Reversal of Flow-Through Share Premium Liability	42,150	115,505	42,150	115,505
Write Down of Loans Receivable	-	-	-	(10,450)
Write (Down) Up of Marketable Securities to Market	(59,717)	140,000	(119,147)	20,000
	589,439	90,493	1,517,368	446,392

- BC mining exploration tax credit of \$119,005 (2017 -\$71,387) in connection with qualifying exploration expenditures incurred in the Province of BC for the year ended June 30, 2017.
- Gain on Conversion of Debentures of \$17,765 was recorded based on the difference between the market value of the securities and the exercise price during the time of the conversion in 2017.
- Interest on Debentures of \$Nil (2017 - \$50,001), the Company is incurring interest of 10% per annum on \$1,000,000 in debentures in 2017.
- Gain on Settlement of Debt of \$Nil (2017 - \$127,888), the debt was forgiven by two of the vendors and extinguishment of debenture interest payable through the issuance of common shares in 2017.
- Loss on Sale of Marketable Securities of \$37,802 (2017 - \$Nil), the loss of marketable securities sold at market.
- Mineral Exploration Property Recovery of \$1,513,162 (2017 - \$425,000), payment received on the two properties optioned. See Note 6 on the Audited Financial Statements.
- The Company recorded amortization on the flow through share premium liability of \$Nil (2017 - \$115,505) to other income based on amount of expenditures incurred and renounced at June 30, 2017.
- The Company recorded unrealized Loss of \$119,147 (2017 - \$20,000 gain) on marketable securities held.

Fourth Quarter Operations

During the 3-months ended June 30, 2017, the Company experienced a net loss of \$79,749 compared to a net loss of \$435,720 for the comparative period in 2017. The decrease in net loss was primarily due to the Company recognizing \$611,424 in exploration recovery compared to nil in 2017. In 2018, the Company had higher expenses for three months in the areas of exploration, professional fees, stock-based compensation and rent. This reflects the Company's focus on their exploration programs and fund raising. In 2017, the Company had Other Items which resulting in a higher net loss for the quarter. Accretion and interest on debentures as well as loss on settlement of debt resulted in additional losses of \$182,777 for the fourth quarter in 2017.

Expenses for the quarter ended June 30, 2018 decreased by \$355,971 when compared to the same period in 2017.

Differences in general administrative expenses incurred for the fourth quarter are as follows:

- Advertising, marketing and investor relations \$19,995 (2017 - \$28,461). Amounts included in advertising, investor relation and promotion are monthly investor relations fees, print and internet advertising costs, web site updates, marketing, investment and geological conference attendance fees.
- Consulting fees of \$Nil (2017 - \$40,650), paid to companies for strategic, administrative services, project evaluation and future acquisition. Consulting fees have increased due to more business activity.
- Management comprised of \$60,000 (2017 - \$60,000) of consulting fees, pursuant to the Management Consulting Agreement with the company controlled by the President and CEO of the company to perform management services for \$15,000 per month. See “Commitment” for further discussion.
- The Company incurred office and administrative expenses of \$92,673 (2017 - \$65,444). The office and administration included accounting, administration, rent, telephone, printing storage, secretarial and foreign exchange. The office and administrative expenses increased due to the increase in administrative, accounting and secretarial fees.
- Regulatory and transfer agent fees of \$20,316 (2017 - \$12,499) consisted of fees paid to regulatory bodies in Canada in connection with routine filings and filing fees for private placement.
- Travel and accommodations expenses of \$39,871 (2017 - \$29,025) Management traveled to visit the Company’s properties in BC Canada and attending various geological conferences and meetings.
- The Company incurred \$345,735 (2017 - \$225,272) of exploration expenditures on the company’s Canadian BC Projects. Details of Exploration and Evaluation Expenditures see above.
- The Company recorded \$67,713 (2017 - \$31,156) of non-cash compensation cost due to the grant of stock options and during the period ended June 30, 2018.

Other Expenses

- Gain on Conversion of Debentures of \$17,765 was recorded based on the difference between the market value of the securities and the exercise price during the time of the conversion in 2017.
- Interest on Debentures of \$16,088, the Company incurred interest of 10% per annum on \$1,000,000 in debentures in 2017.
- Gain on Settlement of Debt of \$165,012, the debt was forgiven by two of the vendors and extinguishment of debenture interest payable through the issuance of common shares in 2017.
- The Company recorded amortization on the flow through share premium liability of \$42,150 (2017 - \$115,505) to other income based on amount of expenditures incurred and renounced at June 30, 2018.
- The Company recorded a write down to market of \$59,717 (2017 - \$140,000 gain) on marketable securities held.
- The Company recorded a realized gain of \$1,977 (2017 - \$Nil) on marketable securities sold.
- The Company had exploration recovery in the amount of \$611,424 (2017 - \$Nil) applied against exploration expenditures.

Summary of Quarterly Reports

Results for the eight most recent quarters ending with the last quarter for the period ended June 30, 2018:

	Three Months Ended			
	June 30, 2018 \$	March 31, 2018 \$	December 31, 2017 \$	September 30, 2017 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(79,749)	(239,926)	(506,553)	(120,475)
Basic and diluted per shares	(0.00)	(0.01)	(0.03)	(0.01)

	Three Months Ended			
	June 30, 2017 \$	March 31, 2017 \$	December 31, 2016 \$	September 30, 2016 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(435,720)	(486,225)	(671,750)	(496,561)
Basic and diluted per shares	(0.01)	(0.01)	(0.01)	(0.01)

Over the last eight quarters, the Company has been exploring projects in Canada and the majority of the loss each quarter relates to the expenditures incurred in maintaining the operations of the Company and general and administrative expenses. The other main contributor to the losses is non-cash stock based compensation incurred on the grant of stock options done periodically over the last eight quarters.

Mineral exploration is typically a seasonal business, and accordingly, the Company's operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will typically increase.

Liquidity and Capital Resources

At June 30, 2018, the Company had cash of \$22,988 and working capital of \$93,689. All cash is deposited in interest accruing accounts.

	June 30, 2018 \$	June 30, 2017 \$
Current assets	314,912	454,768
Reclamation Bond	52,500	44,000
Property and Equipment	24,640	10,800
Total Assets	392,052	509,568
Current Liabilities	221,223	300,494
Total Liabilities	221,223	300,494

Shareholders' Equity	170,829	209,074
Working Capital	93,689	154,274

The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

	June 30, 2018 \$	June 30, 2017 \$
Cash used in operating activities	(906,440)	(1,856,262)
Cash used in investing activities	166,679	38,000
Cash provided by financing activities	559,903	1,944,814
Change in cash	(179,858)	126,552

During the year ended June 30, 2018;

- In December 2017, the Company completed a non-brokered private placement of 2,810,000 units (562,000 units post consolidation) at a price of \$0.05 per unit for gross proceeds of \$140,500.
- In February 2018, the Company completed a non-brokered private placement of 2,160,000 units at a price of \$0.125 per unit for gross proceeds of \$270,000.
- In April 2018, the Company completed a non-brokered private placement of 1,340,000 units at a price of \$0.125 per unit for gross proceeds of \$167,500.
- In July 2017, the Company issued 1,000,000 (200,000 post consolidation) common shares (pursuant to the acquisition of the Providence Property for exploration purposes, with a fair value of \$35,000.
- In August 2017, the Company issued 400,000 (80,000 post consolidation) common shares pursuant to the acquisition of the Providence Property for exploration purposes, with a fair value \$18,000.
- In October, the Company issued 6,000,000 (1,200,000 post consolidation) common shares, an equivalent cash value of \$420,000, as per the amended agreement on the Brett Gold Project.
- February 26, 2018, the Company made its February 18, 2018 payment of \$59,993 electing to issue 352,900 common shares at \$0.17 per share pursuant to an option agreement to acquire a 100% interest in the net smelter royalty ("NSR") on the Brett Gold Project.

Selected Annual Information

The following financial data is derived from the Company's audited financial statements for the year ended June 30 2018, 2017 and 2016.

	2018 \$	2017 \$	2016 \$
Financial Results			
Net loss for the year	(946,703)	(2,089,146)	(1,390,674)
Basic and diluted loss per share	(0.05)	(0.17)	(0.04)
Financial Position			
Working Capital (Deficiency)	93,689	154,274	(471,522)
Total Assets	392,052	509,568	200,506
Total Liabilities	221,223	300,494	1,421,865
Capital Stock	16,941,165	16,111,136	12,887,382
Share-Based Payment Reserve	800,918	763,900	416,761
Deficit	17,573,754	16,665,962	14,717,361

The Company's net loss was lower in 2018 compared to 2017 mainly due to an increase in exploration recovery.

Transactions with Related Parties

At the Report Date, key management consists of Chris Anderson (CEO, President and a Director of the Company), Nicolette Keith (CFO of the Company) Lorne Mann, Scott Kent, Wesley Warthe-Anderson, Shervin Kent and Roy Davis (Directors of the Company). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

Compensation of Key Management Personnel

All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	June 30, 2018 \$	June 30, 2017 \$
Consulting Fees ^(a)	1,000	2,400
Management Fees ^(b)	260,000	220,000
Exploration ^(c)	7,680	61,370
Office Administration and Support Fees ^(b)	31,800	33,000
Stock-Based Compensation ^(d)	42,321	188,094
	<u>342,801</u>	<u>504,864</u>

(a) During the year ended June 30, 2018, the Company incurred consulting fees of \$1,000 (2017 - \$2,400) to two directors of the Company.

(b) During the year ended June 30, 2018, the Company incurred \$291,800 (2017 - \$253,000) in management and consulting fees, and reimbursements of travel and other expenses to a Director and Officer Chris Anderson (and a company controlled by Mr. Anderson) of the Company.

(c) During the year ended June 30, 2018, the Company incurred exploration expenses of \$7,680 (2017 - \$61,370) to a Company with a common director.

- (d) During the year ended June 30, 2018, the Company incurred stock-based compensation of \$42,321 (2017 – \$188,094) to all directors of the Company.

Commitment

The Company entered into a five year agreement with its Director, President and Chief Executive Officer in December, 2016 (the “2016 Agreement”), for consulting services to the Company for consideration of \$15,000 (plus applicable taxes) plus auto and reimbursement of all traveling and direct expenses incurred

Flow-Through Share Premium Liability

The Company entered into flow-through share subscription agreements in December 2017 whereby it committed to incur a total of \$140,500 of qualifying Canadian exploration expenditures. The value of the flow-through units in excess of the quoted market value of shares on the date of issuance and the fair value of share purchase warrants issued was set up as a liability at the time these shares were issued. Funds raised through the issuance of flow through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation.

In December 2017, the Company renounced \$140,500 of qualifying exploration expenditures to the shareholders with an effective date of December 31, 2017. The effect of this renunciation and the reversal of the flow-through share premium liability has been reflected in the financial statements for the year ended June 30, 2018. The Company has incurred qualifying expenditures of \$140,500 with respect to exploration activities at the Brett and Gold Drop Properties.

Off Balance Sheet Agreements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Critical Accounting Policies and Estimates

The details of Ximen’s accounting policies are presented in Note 2 of the financial statements ended June 30, 2018. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company’s financial statements and the uncertainties that could have a bearing on its financial results.

Accounting Standards Issued But Not Yet Effective

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up the date of issuance of the Company’s consolidated financial statements. The Company intends to adopt the following standards when they becomes effective.

IFRS 9 – Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard was initially effective for annual period beginning on or after January 1, 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2018. The Company has not yet determined the impact of this standard on its consolidated financial statements.

IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 “Leases”, and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019.

Capital Risk Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. 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 manages its share capital as capital, which as at June 30, 2018, was \$16,941,165 (2017 – \$16,111,136). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company’s approach to capital management during the year ended June 30, 2018.

Management Financial Risks

The fair value of the Company’s loan receivable, accounts payable and accrued liabilities, convertible debentures, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company’s other financial instruments, cash and marketable securities under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

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

a) *Credit Risk*

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

b) *Liquidity Risk*

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2018, the Company had a cash balance of \$22,988 to settle current liabilities of \$221,223. All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s loans receivable and payable are non-interest bearing. Interest on the Company’s debentures payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

d) *Foreign Currency Risk*

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) *Commodity 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, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Risk and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

- (a) the state of the capital markets, which will affect the ability of the Company to finance further mineral property acquisitions and expand its contemplated exploration programs;
- (b) the prevailing market prices for base metals and precious metals;
- (c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property;
- (d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property;

Other risk factors

Nature of Mineral Exploration and Mining

There is no known economic recoverable mineral resource upon any of the Principal Properties. Development of any of the Principal Properties will follow only upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and of those properties which are explored, few are developed into producing mines. The Company provides no assurance that its mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors out of the Company's control.

Mineral Deposits and Productions Costs; Metal Prices

Many factors affect the economics of developing mineral deposits, including variations in ore grade, cost of operations, and price fluctuations in of products sold. Metal prices influence heavily the value of the Principal Properties. Metal prices can and do change by substantial amounts over short periods of time, and are affected by numerous factors beyond the Company's control, including changes in supply and demand, international economic and political trends, inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. The Company

provides no assurance that the prices of mineral products will be sufficient to ensure that any of the Principal Properties can be mined profitably.

Depending on the price received for minerals produced, the Company may determine that it is impractical to commence or continue commercial production. The grade of any ore ultimately mined from a mineral deposit may differ from that predicted by drilling results.

Additional Financing

The Company has limited financial resources and provides no assurance that it will obtain additional funding for further exploration and development of its projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's Properties with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its Properties.

Permits and Licenses

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain all necessary licenses and permits required carrying on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labour relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the Principal Properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the Principal Properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Currency Risk

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which we would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. In recent months due to the significant downturn

in the world economies has driven the commodities prices much lower which has made raising capital more difficult more competitive than past years.

Forward-Looking Information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, and U.S. dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Management’s Report On Internal Control Over Financial Reporting

In connection with National Instrument (“NI”) 52-109 (Certification of Disclosure in Issuer’s Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis.

The Venture Issuer Basic Certification 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.

Additional Information in relation to the Company

Additional information relating to the Company is available:

- (a) On SEDAR at www.sedar.com
- (b) On the Company’s website at www.ximenminingcorp.com
- (c) In the Company’s annual audited financial statements for the year ended June 30, 2018.

Outstanding Shares

On January 8, 2018, the Company completed a share consolidation of its share capital, options and warrants at a ratio of five old common shares to one new share. The interim financial statements and the management discussion and analysis reflects the retroactive application of this share consolidation.

	Number	Exercise Price	Expiry Date
Common Shares	23,138,187	n/a	n/a
Stock Options	185,000	0.50	February 16, 2019
Stock Options	260,000	0.45	March 20, 2019
Stock Options	340,000	0.60	April 29, 2020
Stock Options	195,000	0.25	February 2, 2021
Stock Options	130,000	0.75	October 5, 2021
Stock Options	230,000	0.60	November 22, 2021
Stock Options	400,000	0.18	February 14, 2023
Warrants	3,478,126	0.25	January 4, 2019
Warrants	2,160,000	0.18	August 27, 2019
Warrants	1,340,000	0.18	September 10, 2019
Warrants	230,000	0.25	April 20, 2020
Warrants	852,000	0.50	August 15, 2021
Warrants	924,040	1.00	October 24, 2021
Warrants	200,000	0.50	December 30, 2021
Warrants	940,000	0.375	April 11, 2022
Warrants	1,087,000	0.375	April 13, 2022
Warrants	200,000	0.375	April 20, 2022
Warrants	562,000	0.25	December 13, 2022
Agents' Warrants	100,000	0.18	August 27, 2019
Agents' Warrants	23,000	0.375	April 13, 2022

Other Requirements

Additional disclosure of the Company's technical reports, material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.