



# **ROKMASTER RESOURCES CORP.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2018

## Rokmaster Resources Corp.

### Management Discussion and Analysis (“MD&A”)

*Set out below is a review of the activities, results of operations and financial condition of Rokmaster Resources Corp. (referred to herein together as the “Company” or “Rokmaster”) for the three months ended March 31, 2018. The following information should be read in conjunction with the Company’s audited consolidated financial statements and the notes related thereto for the year ended December 31, 2017 and the Company’s unaudited interim consolidated financial statements of Rokmaster and the notes related thereto for the three months ended March 31, 2018.*

*This MD&A is prepared as of May 30, 2018 and all dollar amounts are stated in Canadian Dollars unless otherwise stated.*

*The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Manitoba and Ontario in Canada. The Company’s shares are listed on the TSX Venture Exchange (“TSXV”) in Canada under the symbol “RKR,” on the OTC Pink Sheets in the USA under the symbol “RKMSF” and on the Frankfurt Stock Exchange under the symbol “1RR.”*

#### **Caution Forward Looking Information**

The Company’s unaudited interim consolidated financial statements for the three months ended March 31, 2018 and this accompanying MD&A contain certain statements that may be deemed “forward-looking statements.” All statements in this document, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “projects,” “potential,” “interprets,” and similar expressions, or that events or conditions “will,” “would,” “may,” “could,” or “should” occur. Forward-looking information in this document include statements regarding future exploration programs, liquidity and effects of accounting policy changes, risks and uncertainties relating to the Company being in the exploration stage, the possibility that future exploration and development results will not be consistent with the Company’s expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties. In addition, forward-looking information are based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of commodities, that the Company will receive required permits, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Canada and the various provinces in Canada will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change except as required by law.

## **Business Overview and Overall Performance**

### **Business Overview**

The Company is primarily engaged in the acquisition, exploration and development of precious, base and industrial mineral properties. The Company's principal exploration areas of interest are North America, Central America and South America. The Company currently owns 100% of the Duncan Lake Zinc-Lead Property and has a 55% interest in the Big Copper property both located in the Slocan Mining Division in southeast British Columbia, Canada.

In order to achieve its objective, the Company has assembled a mineral exploration and management team with extensive experience in exploring, developing and bringing mines into production.

### **Overall Performance**

Highlights of the Company's activities through to the date of this MD&A:

- On May 8, 2018, the Company announced it has entered into an Option Agreement (the "Option" or the "Agreement") with the vendors of the Duncan Lake Zinc Project (the "Property")(see News Release dated November 2, 2016) to acquire up to 80% of the current 2.5% net smelter return ("NSR") royalty on all mineral production from the Duncan Lake Zinc Property located in south eastern British Columbia, Canada. Pursuant to the Agreement, Rokmaster has the option to reduce the existing NSR of 2.5% to 0.5% by making cash payments of \$1,200,000.00 for each 1% increment at any time. Rokmaster does not expect to exercise the Option until the project achieves certain milestones and decides to commence mine construction.
- On April 30, 2018, the Company received TSXV approval to consolidate all of its issued and outstanding common shares on the basis of five (5) existing common shares for one (1) new common share (the "Share Consolidation"). The effective date of the Share Consolidation is May 1, 2018. The Share Consolidation was approved by shareholders at a special meeting held on April 9, 2018.
- On April 25, 2018, the Company announced that it plans to complete up to a \$1,200,000 non-brokered private placement consisting of up to 12,000,000 units at a price of \$0.10 per unit (the "Units"). Each Unit will consist of one post-consolidation common share of the Company and one-half non-transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share (a "Warrant Share") of the Company for a period of 18 months from the date of closing of the Private Placement at a price of \$0.18 per Warrant Share. The Warrants are subject to an accelerated expiry date as more particularly described in the Company's April 25, 2018 news release.

### **Exploration Properties**

#### ***Duncan Lake Zinc-Lead Property, Canada***

The Duncan Lake Zinc-Lead Property located in the Slocan Mining Division in southeast British Columbia, Canada (the "Property" or "Duncan Lake") approximately 64 km north of Kaslo, British Columbia. The Property consists of 35 contiguous mineral claims covering 3,929 hectares along the strike extension of Teck Resources Ltd.'s ("Teck") historical Duncan Mine property and 148 km by road northeast of Teck's smelter in Trail, British Columbia.

*History of the Property*

The Consolidated Mining and Smelting Company of Canada, Limited (“Cominco”), a predecessor of Teck, conducted four phases of exploration work on the Property from 1989 to 1997 included coring of 8,333.9 meters in 12 diamond drill holes. The work encountered significantly higher grade zinc-lead mineralization (see below Table of Selected Mineralized Drill Intersections) than was typically encountered at the Duncan Mine and confirmed that altered and mineralized carbonate strata extends from the Duncan Mine northward more than 2.3km and is open to the north, the west limb of Duncan Anticline and to depth on the Property. A further phase of drilling (8,800 meters in 8 holes) was recommended for 1998 but not conducted, possibly due to the steep decline in lead and zinc prices at the time and Teck’s increasing involvement in Cominco which had begun in 1986.

**Table: Selected Mineralized Drill Intersections – Duncan Lake Project**

Hole ID	From (m)	To (m)	Core Length (m)	Estimated True Thickness (m)	Zn (%)	Pb (%)
<b>C89-5</b>	551.00	565.23	14.23	12.2	5.21	3.10
and	553.00	561.00	8.00	6.9	7.10	4.60
and	570.50	577.80	7.30	6.3	4.54	1.50
including	576.00	577.80	1.80	1.5	9.40	0.43
<b>C89-6</b>	603.48	609.00	5.52	4.7	7.00	1.20
including	603.48	606.00	2.52	2.2	11.01	1.70
and	616.00	618.00	2.00	1.7	2.60	0.06
<b>C91-7</b>	441.90	460.00	18.10	15.8	2.70	0.50
including	441.90	449.90	8.00	7.0	4.00	1.00
and	474.60	489.90	15.30	13.4	7.40	0.60
including	477.20	482.00	4.80	4.2	11.60	0.80
and	502.40	570.00	65.40	57.2	2.30	0.10
<b>C97-5A</b>	611.84	627.86	16.02	11.2	1.84	0.60
<b>C95-10</b>	727.20	730.00	2.80	1.4	4.80	1.33
and	747.20	748.40	0.70	0.4	2.03	0.19
<b>C95-11</b>	675.30	676.50	1.20	0.6	11.90	1.30
and	679.90	685.80	5.90	3.0	7.27	0.52
including	682.90	685.80	2.90	1.5	10.18	1.01
and	704.60	710.60	6.00	3.1	2.49	0.36
<b>C97-12</b>	612.50	633.50	21.00	14.7	4.20	4.00
including	620.00	630.70	10.70	7.5	6.20	6.30
<b>C97-13</b>	no intersections					
<b>C97-14</b>	no intersections					
<b>C97-15</b>	384.40	400.60	16.20	12.8	3.6	2.8
including	384.40	392.00	7.60	6.0	3.0	4.3
including	393.80	398.10	4.30	3.4	5.5	2.2
and	404.00	413.50	9.50	7.5	4.6	0.6
and	438.70	442.90	4.20	3.3	3.4	1.1
and	473.40	478.00	4.60	3.6	5.5	1.0
and	485.70	495.70	10.00	7.9	2.3	1.0
<b>C97-16</b>	383.70	384.40	0.70	0.6	1.7	0.03
and	394.90	395.50	0.60	0.5	1.1	0.2

and	427.50	430.60	3.10	2.6	2.6	1.4
and	435.00	437.00	2.00	1.7	4.0	0.03
and	565.20	572.70	7.50	6.4	1.6	0.5

A re-assessment of the current area covered by the Property north of the Duncan Mine by Cominco geologists indicated that an additional “900 meters of strike length of the structure has the potential to host 5 MMT (“Million Metric Tonnes”) of 11.5% Zn and 1% Pb in No. 7 Zone and 2 MMT of 7% Zn and 0.3% Pb in the No. 8 Zone. If the known mineralization is projected 2,100 meters north (in the persistent plunge direction) to Jubilee Point, there is room for 16 MMT at 10% Zn.” (D.W. Moore (1997): “Duncan Mine Property: Proposal to Test Attractive Zinc Potential Close to Trail”). It was also noted that the 7<sup>o</sup> northward plunge of the mineralized zone would be amendable to decline access and underground drilling as proven at the Duncan Mine. The potential quantity and grade stated above is conceptual in nature and there has been insufficient exploration to define a mineral resource. This represents a target for further exploration and it is uncertain if such further exploration will result in the target being delineated a mineral resource.

The scientific and technical information about the Property set out in this MD&A was obtained from a Technical Report for the Property dated December 13, 2016 and prepared for the Company, by R.A. (Bob) Lane, M.Sc., P. Geo. (the “Technical Report”). Mr. Lane advises that the geological data set out in the Technical Report was predominantly generated by Cominco during the 1989-1997 period and were recorded exploration assessment reports that were submitted to the British Columbia Ministry of Energy and Mines for property assessment credits. While Mr. Lane advises that he has made no attempt to verify the data, he states in the Technical Report that there is no reason to doubt its accuracy or veracity. Mr. Lane advises that he attempted to examine the drill core from 1989 to 1997 but advised that the observed racked or stacked core was quite disheveled. He stated that more than three-quarters of the core boxes could be recovered and re-racked and following that, the intact core could be verified. Mr. Lane advised that he collected some character core samples and had MS Analytical Laboratories in Langley, British Columbia, analyze the core. Mr. Lane advises that the historic drill data for the Property was adequate and that it provides a sound technical framework upon which future exploration programs could be built. Mr. Lane stated in the Technical Report that the level of QA/QC instituted by Cominco during its four phases of drilling was not known.

R.A. (Bob) Lane, M. Sc., P. Geo., a consulting geologist, is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mining Projects* and has reviewed and approved of the technical disclosure in this MD&A.

**2018 Exploration Program – Duncan Lake Zinc-Lead Property**

The Company has received an amended Mines Act Permit (the “Permit”) from the British Columbia Ministry of Energy and Mines authorizing exploration activities including surface diamond drilling on a multi-year and multi-drill hole basis. The Permit expires in October 2022.

The Company commenced a preliminary program consisting of further data collection and compilation. This work includes recovery, re-organization and re-logging of selected historical drill core, analysis of selected core intervals for silver and gold and structural study to target initial drill holes.

The initial start date planned for drilling has been pushed to commence middle of 2018 to provide for the drill crew availability and contemplated financing.

### ***Big Copper Property, Canada***

The Big Copper Property ("Big Copper") is located in the Fort Steele and Slocan Mining Divisions, British Columbia, Canada and is approximately 45 kms by road west of Kimberly, British Columbia. The Company holds a 55% interest in Big Copper.

During the year ended December 31, 2012, the Company and its consultants conducted preliminary soil and silt geochemical surveys and prospecting along with evaluating all private and public data to select potential future exploration targets.

The Company conducted minimal exploration work on Big Copper during the year ended December 31, 2013 and no exploration work was done since.

#### **2018 Exploration Program - Big Copper**

Results from that exploration work have been received and an assessment report, including recommendations for further work, has been completed and submitted.

Other than the assessment work required to maintain the claims, the Company has put exploration plans on Big Copper on standby pending improvements in the copper price.

*Further information on the Company's projects can be found on its website at [www.rokmaster.com](http://www.rokmaster.com)*

### **Significant Accounting Policies**

The Company prepares its unaudited condensed interim consolidated financial statements in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's most recent annual consolidated financial statements as at and for the year ended December 31, 2017, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2018.

#### **New, Amended and Future IFRS Pronouncements**

More detail on these new, amended and future IFRS pronouncements are provided in Note 3 of the interim consolidated financial statements for the three months ended March 31, 2018.

### **Critical Accounting Estimates and Judgments and Estimates**

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. There have been no significant changes to the Company's critical accounting estimates for the three months ended March 31, 2018 from those disclosed in Note 4 of the audited consolidated financial statements for the year ended December 31, 2017.

## Selected Annual Financial Information

The table below sets forth selected financial data, in Canadian dollars, relating to the Company for the years ended December 31, 2017, 2016 and 2015:

	IFRS					
		For the year ended December 31, 2017		For the year ended December 31, 2016		For the year ended December 31, 2015
Total revenue	\$	Nil	\$	Nil	\$	Nil
Net loss	\$	(1,077,175)	\$	(497,878)	\$	(218,884)
Comprehensive loss		(1,083,175)		(505,378)		(278,884)
Basic loss per share	\$	(0.01)	\$	(0.01)	\$	(0.00)
Total assets	\$	869,815	\$	551,613	\$	412,472
Total current liabilities	\$	656,958	\$	2,064,694	\$	1,847,507
Total non-current liabilities	\$	Nil	\$	Nil	\$	Nil
Cash dividends	\$	Nil	\$	Nil	\$	Nil

The Company is in the exploration stage and therefore, does not have revenues from operations. The Company's operating activities are dependent on the Company's working capital.

The Company's net loss for the year ended December 31, 2017 increased by \$579,297 when compared to the year ended December 31, 2016. The increase was mainly due to the following: (1) exploration work amounting to \$75,237 conducted at the Company's Duncan Lake Zinc-Lead Property during the current year compared to none in the prior year; (2) recognition of \$425,152 in share-based compensation in the current year also compared to none in the prior year; and (3) an increase of \$113,827 in travel, public and shareholder relations and conferences to promote the Company's Duncan Lake Zinc-Lead Property and its profile.

The Company's net loss for the year ended December 31, 2016 increased by \$278,994 when compared to the year ended December 31, 2015. The increase was mainly due to the no exploration and evaluation recovery recognized by the Company during the 2016 fiscal year.

Rokmaster's total assets increased by \$318,202 from December 31, 2016 to December 31, 2017 primarily due to the capitalized acquisition costs of the Duncan Lake Zinc-Lead Property and offset by a decrease in cash. Total liabilities decreased by \$1,407,736 from 2016 to 2017 primarily from the shares for debt settlement that completed in January 2017. The total debt settled was \$1,450,111.

Rokmaster's total assets and total liabilities increased by \$139,141 and \$217,187, respectively, from December 31, 2015 to December 31, 2016. Total assets increased primarily from the closing of the first tranche in late December 2016 and offset by the sale of marketable securities held by the Company as at December 31, 2015 and total liabilities increased primarily as the Company continued to accrue and extend payment to its vendors, primarily to related parties.

## Results of Operations

Rokmaster is an exploration stage company and its properties are in the early stages of exploration and none of the Company's properties are in production. Therefore, exploration and evaluation expenditures and administrative expenses relating to the operation of the Company's business are being expensed as incurred. Consequently, the Company's net loss is not a meaningful indicator of its performance or potential.

The key performance driver for the Company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations in the near future. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund on-going operations. Additional financing will be required for additional exploration and administration costs. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities.

**For the three months ended March 31, 2018 compared to the three months ended March 31, 2017**

The net loss for the three months ended March 31, 2018 (the “Current Quarter”) was \$123,685 compared to a net loss for the three months ended March 31, 2017 (the “Comparative Quarter”) of \$525,088. The decrease in net loss of \$401,403 was primarily due to a significant decrease in share-based compensation of \$381,500 during the Comparative Quarter compared to \$3,405 in the Current Quarter. The Company granted 1,590,000 stock options which all vested during the Comparative Quarter with a fair value of \$0.25 per option compared to none during the Current Period.

All other operating costs are in-line with the Company’s continuing efforts to preserve capital as well as contain costs where it can considering the current and prolonged unfavorable market conditions to raise capital.

**Summary of Quarterly Results**

The table below summarizes selected financial data, in Canadian dollars, of the Company for the three months ended March 31, 2018, and the previous seven quarters.

	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Total Revenue	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net Loss	\$(123,685)	\$(189,437)	\$(223,637)	\$(139,013)	\$(525,088)	\$(172,249)	\$(100,455)	\$(112,490)
Basic loss per share	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.03)	\$(0.00)	\$(0.00)	\$(0.00)
Total Assets	\$831,540	\$869,815	\$940,047	\$1,072,460	\$1,144,542	\$551,613	\$384,365	\$425,060
Mineral Interests	\$715,500	\$715,500	\$697,500	\$697,500	\$694,500	\$69,500	\$69,500	\$69,500

The Company’s net loss increased by \$84,624 during the quarter ended September 30, 2017 compared to a net loss of \$139,013 for the second quarter of 2017 primarily due to the increase in consulting fees for reasons described in the Results of Operations above and recognition of \$37,115 in share-based compensation.

The Company’s net loss for the three months ended June 30, 2017 decreased by \$386,075 when compared to the net loss for the three months ended March 31, 2017 which period realized an increase of \$352,839 when compared to the quarter ended December 31, 2016 primarily due to the recognition of share-based compensation of \$381,500 during the quarter ended March 31, 2017 and for which none were granted during the quarters ended June 30, 2017 and December 31, 2016. The Company’s total assets and its mineral interests also increased significantly by \$592,929 and \$625,000, respectively, when compared to the same prior quarter as a result of the acquisition of the Duncan Lake project.



## Liquidity and Capital Resources

As of March 31, 2018, the Company had \$28,252 in cash. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company and therefore financings have been the sole source of funds.

At March 31, 2018, the Company had a working capital deficiency of \$636,423. The Company's current assets are not sufficient to support the Company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future. Accordingly, further financing will be required and the Company will have to raise additional funds to continue its operations. Please see Overall Performance and Subsequent Events sections of this MD&A with respect to the Company's financing plans.

## Liquidity Outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

Based on the Company's financial position as at March 31, 2018, the Company will need to complete additional external financing either through equity, debt or other forms of financing. As other opportunities become available to the Company and subject to exploration work on the Company's project and results from such exploration program is determined, management may be required to complete additional financing.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes that there will be risks involved which may be beyond its control.

### Going Concern

Rokmaster's consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception, has no recurring source of revenue, has an accumulated deficit of \$9,953,618 and a working capital deficiency of \$636,423 at March 31, 2018. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company's current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. In addition to evaluating

financing options, the Company implemented cost savings measures and deferred payments owed to related parties.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

## Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at March 31, 2018 or as at the date hereof.

## Transactions with Related Parties

As at March 31, 2018, the Company's related parties consist of the Company's directors and companies controlled by executive officers and directors of the Company.

Name / Personal Corporation	Relationship	Nature of Transaction
Canam Mining Corporation ("Canam")	A private company controlled by John Mirko – President, CEO and Director	Management and geological consulting fees
0909074 B.C. Ltd. ("0909074")	A private company controlled by Dennis Cojuco – CFO	Management consulting fees
Moore Geological Inc. ("Moore")	A private company controlled by David Moore – Director	Consulting fees
L. M. Okada Ltd. ("Okada")	A private company controlled by Larry Okada – Director	Directorship fees
Other Directors	Director	Directorship fees

The Company incurred fees and expenses in the normal course of operations in connection with the companies controlled by key management and directors. Details are as follows:

	Notes	For the Three months ended March 31, 2018	For the Three months ended March 31, 2017
Consulting fees	(i)	\$ 49,900	\$ 51,350
Geological consulting fees included in exploration and evaluation expenditures	(ii)	-	4,400
		\$ 49,900	\$ 55,750

- (i) During the three months ended March 31, 2018, the Company paid or accrued management consulting fees of \$nil (March 31, 2017 - \$33,350) and \$31,900 (March 31, 2017 - \$nil) to Canam and John Mirko, respectively, and management and financial consulting fees of \$18,000 (March 31, 2017 - \$18,000) to 0909074.
- (ii) During the three months ended March 31, 2018, the Company paid or accrued geological consulting fees of \$nil (March 31, 2017 - \$4,400) to Canam.

Included in accounts payable and accrued liabilities as at March 31, 2018 are:

- \$81,428 (December 31, 2017 - \$81,428) owing to Canam for management and geological consulting fees;

- \$175,465 (December 31, 2017 - \$123,565) owing to the Company's CEO for reimbursable expenses and management and geological consulting fees;
- \$83,397 (December 31, 2017 - \$83,397) owing to Somji Consulting Ltd. (former director) for consulting fees and reimbursable expenses; and
- \$84,800 (December 31, 2017 - \$72,200) owing to 0909074 for management and financial consulting fees.

Loan from former related party

As at March 31, 2018, \$178,120 (December 31, 2017 - \$173,904) is the balance, including accrued interest, of the three short-term loans from a former director of the Company. Two loans bear interest at 1.5% per month, are unsecured and were due between July 17, 2014 and September 19, 2014. The Company and the director are currently negotiating a mutually agreeable repayment date with respect to these loans. The other loan bears no interest, is unsecured and has no fixed repayment term. As at March 31, 2018, the Company has accrued interest of \$78,120 relating to the balances outstanding from the two interest bearing loans.

**Compensation of Key Management Personnel**

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include the directors of the Company.

The remuneration of the Company's key management personnel for the three months ended March 31, 2018 and 2017 are as follows:

	Notes	March 31, 2018	March 31, 2017
Management, director and geological consulting fees	(i)	\$ 49,900	\$ 55,750
Share-based Compensation	(ii)	-	249,535
<b>Total</b>		<b>\$ 49,900</b>	<b>\$ 305,285</b>

- (i) Management and geological consulting fees include those disclosed in the table above.
- (ii) Share-based payments are the fair value of options granted and vested to key management.

Key management personnel were not entitled to post-employment, termination or other long-term benefits during the three months ended March 31, 2018 and 2017. The above transactions occurred 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 parties.

**Financial Instruments and Other Instruments**

The Company classifies its cash, amounts receivable (excluding sales tax receivable) and reclamation bonds as financial assets measured at amortized costs and its marketable securities as financial assets measured at fair value through profit or loss ("FVTPL"). Accounts payable and accrued liabilities and loans from related party are classified as other financial liabilities measured at amortized cost.

As of March 31, 2018, the statement of financial position carrying amounts of these financial instruments closely approximate their fair values, except for accounts payable and accrued liabilities, and loan from related party where the fair value may be less than carrying amounts due to liquidity risks.

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy

gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

**Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following provides the valuation method of the Company's financial instruments as at March 31, 2018 and December 31, 2017:

	Level	As at March 31, 2018	As at December 31, 2017
Financial assets at amortized cost	1	\$ 48,276	\$ 72,448
Financial assets at FVOCI	1	\$ -	\$ 49,875
Financial assets at FVTPL	1	\$ 42,750	\$ -
Other financial liabilities at amortized cost	1	\$ 738,963	\$ 656,958

### **Financial Risk Management**

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investment, reclamation bonds and amounts receivable. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash and short-term investment with a high credit quality major Canadian financial institution as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. As at March 31, 2018, the Company had cash of \$28,252 to settle current liabilities of \$738,963. Further information relating to liquidity risk is disclosed in the "Liquidity Outlook" section of this MD&A.

## Market Risks

The significant market risks to which the Company is exposed are currency and interest rate risks.

The operating results and financial position of the Company are reported in Canadian dollars. As the Company conducts exploration and property examinations in other countries outside of Canada, some of the Company's transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks. The Company has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions for property examinations incurred in other countries outside of Canada is not significant and therefore does not hedge its foreign exchange risk.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk arises primarily from interest earned on the short-term investment. Cash is not subject to interest rate risk since it does not bear interest.

## **Capital Management**

The Company primarily considers shareholders' equity in the management of its capital. The Company manages its capital structure and makes adjustments to it based on funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining sufficient level of funds, to support continued evaluation and maintenance of the Company's existing properties, and to acquire, explore and develop other precious metals, base metals and industrial mineral deposits;
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and
- To obtain the necessary financing if and when it is required.

The properties in which the Company currently holds an interest in are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. In order to facilitate the management of capital and development of its mineral properties, the Company's management informs the Board of Directors as to the quantum of expenditures for review and approval prior to commencement of work. In addition, the Company may issue new equity, incur additional debt, enter into joint venture agreements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2018 compared to the year ended to December 31, 2017. The Company is not subject to externally imposed capital requirements.

## **Proposed Transactions**

At the present time, there are no other proposed transactions or as at the date hereof except for the events discussed in the Subsequent Events section of this MD&A.

## **Risks and Uncertainties**

The risks and uncertainties faced by the Company are substantially unchanged from those disclosed in the Company's Annual MD&A dated April 30, 2018.

## **Dividends**

Rokmaster has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of Rokmaster and will depend on Rokmaster's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Rokmaster deem relevant.

## **Nature of the Securities**

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

## **Additional Disclosure for Venture Issuers Without Significant Revenue**

Additional disclosure concerning Rokmaster's general and administrative expenses and resource property exploration expenses is provided in the Company's *Consolidated Statement of Loss and Comprehensive Loss and Shareholders' Equity (Deficiency)* contained in its audited consolidated financial statements for the years ended December 31, 2017 and 2016 which is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## Outstanding Share Data

Rokmaster's authorized capital is unlimited common shares without par value. As at May 30, 2018, the following common shares, agent warrants, finders' warrants and incentive stock options were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	20,974,662	N/A	N/A
Share Purchase Warrants	1,540,022	\$0.30	Dec 28, 2018
Share Purchase Warrants	1,203,400	\$0.30	Apr 5, 2019
Special Warrants – Series A	2,400,000 <sup>(1)(4)</sup>	N/A	January 17, 2027
Special Warrants – Series B	2,400,000 <sup>(2)(4)</sup>	N/A	January 17, 2032
Special Warrants – Series C	2,400,000 <sup>(3)(4)</sup>	N/A	January 17, 2037
Incentive Stock Options	190,000	\$0.65	May 28, 2019
Incentive Stock Options	50,000	\$0.65	Jul 14, 2019
Incentive Stock Options	100,000	\$0.35	Jul 19, 2019
Incentive Stock Options	1,540,000	\$0.30	Jan 30, 2022
Incentive Stock Options	120,000	\$0.30	Aug 11, 2022
<b>Fully Diluted</b>	<b>32,918,084</b>		

- (1) Part of the consideration of the Duncan Lake acquisition and exercisability is based on reaching a milestone as follows: upon the Company receiving a technical report identifying a mineral resource or mineral reserve estimate totalling a minimum of 3 million tonnes of 6% combined lead and zinc equivalent.
- (2) Part of the consideration of the Duncan Lake acquisition and exercisability is based on reaching a milestone as follows: upon the Company receiving a technical report identifying a mineral resource or mineral reserve estimate totalling a minimum of 6 million tonnes of 6% combined lead and zinc equivalent.
- (3) Part of the consideration of the Duncan Lake acquisition and exercisability is based on reaching a milestone as follows: once Duncan Lake commences commercial production.
- (4) All of the aforementioned Special Warrants (the "Special Warrants") are subject to an accelerated exercise provision. Please see Note 8c of the Company's consolidated financial statements for the year ended December 31, 2017 for details.

## Recent Developments and Outlook

The Company expects to obtain financing in the future primarily through further equity and debt financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its resource properties.

## Subsequent Events

Please see Overall Performance section of this MD&A.

## Controls and procedures

### Internal Control Over Financial Reporting

The Company's management is responsible for establishing adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. The Company's management has evaluated the effectiveness of the design and operation of the Company's internal control over financial reporting as of the period covered by this report. Based on the result of the assessment, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's internal controls over financial reporting are effective.

## **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate in order to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, are effective to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

## **Corporate Governance**

### **Composition of the Board of Directors**

The Board of Directors of Rokmaster is at present comprised of five directors, three of whom are considered to be independent.

## **Approval**

The Board of Directors of Rokmaster Resources Corp. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## **Additional Information**

Additional information relating to Rokmaster can be obtained on the SEDAR website at [www.sedar.com](http://www.sedar.com), on the Company's website at [www.rokmaster.com](http://www.rokmaster.com) or by contacting the Company at Suite 900 - 580 Hornby Street, Vancouver, BC Canada V6C 3B6 or at Tel: (604)632-9602 or via email: [info@rokmaster.com](mailto:info@rokmaster.com)