CTEC

Central Timmins Exploration Corp.

Management's Discussion and Analysis

For three months ended March 31, 2018

Filed June 8, 2018

Management's discussion and analysis (MD&A) relates to the performance, financial condition and future prospects of Central Timmins Exploration Corp. ("CTEC" or the "Company"). This MD&A should be read in conjunction with the unaudited interim condensed financial statements for the three months ending March 31, 2018 and Notes thereto. Readers are cautioned that the MD&A contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to CTEC's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. Readers are encouraged to consult the Company's audited financial statements for the year ending December 31, 2017 and related notes for additional details. The unaudited interim financial statements and MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless stated otherwise. This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of June 8, 2018 and for the three months ended March 31, 2018. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A.

Description of Business

The Company is a junior mining, exploration and development company engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company was formed under the *Business Corporations Act* of Canada as Central Timmins Exploration Corp. on November 10, 2017 by articles of incorporation.

The business objective of the Company is acquiring land and exploring for base and precious metals deposits in the Timmins Camp of Ontario.

Outlook

On December 22, 2017 Company entered into a definitive purchase and sale agreement (the "Agreement") to purchase the Timmins mineral exploration properties from Claim Post Resources Inc. ("Claim Post"), for a cash consideration payable at closing of $350,000 and a Net Smelter Royalty (the "NSR") payable to Claim Post that varies from 1% to a maximum of 2%, depending upon the claims and the pre-existing NSR burden. The NSR provides CTEC the option to buy Claim Post's NSR for cash consideration of C$1,500,000 within 24 months of closing, and if the buyout is not fully exercised, the NSR payable to CTEC is capped at C$5,000,000 total, proceeds net (excluding any buy out payments) to Claim Post. The transaction closed on January 8, 2018 and the $350,000 payment to Claim Post was made. The transaction is subject to regulatory and third-party approvals and customary conditions precedent. No finder's fees were payable in connection with the transaction.

The Company's initial focus has been on closing the transaction with Claim Post. With successful completion in January 2018, CTEC engaged a consultant to complete a 43-101 technical report for the acquired properties and intends to undertake an Initial Public Offering to provide funding for working capital and initial exploration activities.

The Company does not hold any interests in producing or commercial ore deposits. The Company has no production or other material revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of mineral resources containing economic concentrations of mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

As at June 8, 2018, the directors and officers of the Company are:

Charles Gryba	President and Director
Neville Dastoor	Corporate Secretary and Director
Jens Mayer	Director
Arvin Ramos	Chief Financial Officer

During March 2018, the Company retained Roscoe Postle and Associates Inc. ("RPA") to prepare a NI 43-101 Report on the Timmins Area Project. Mr. Paul Chamois, P. Eng is the independent Qualified Person on the file.

Overall Performance

The following paragraphs provide an analysis of the financial condition of the Company, results of operations, trends, events, uncertainties, and industry and economic factors that affect the Company's performance for the three months ended March 31, 2018.

Total exploration and evaluation costs increased in the three month period by $15,831 to a cumulative total of $380,417.

As at March 31, 2018, the Company had 28,800,000 common shares outstanding.

As at March 31, 2018, the Company's cash position was $473,574. During the period ending March 31, 2018, the Company closed a non-brokered private placement of 8,900,000 shares, comprised of 3,900,000 shares at $0.05 and 5,000,000 Flow-through shares at $0.07 per share and for an aggregate total of $545,000. The Company will rely on equity financing to raise capital in the future.

Recent Events

On November 28, 2017 the Company closed a Private Placement for 15,000,000 shares at $0.01 for proceed of $150,000.

The Company executed a Promissory Note with directors and officers of the Company in the aggregate amount of $350,000 on December 1, 2017. The Promissory Notes are unsecured and bear an interest at a rate 10% calculated and payable semi-annually. The Company recorded interest $5,465 during the period for the promissory note.

On February 26, 2018 the Company entered into a Conversion Agreement with each of its Promissory Note holders to which the parties agreed to convert $350,000 of debt for 4,900,000 commons shares. The commons shares were valued at a fair value of $0.05 per share for a total of $245,000. The remaining $105,000 was recorded as a gain on debt forgiveness in the interim condensed statement of income and comprehensive income. The accrued interest amount of $8,438 was forgiven by the Promissory Note holders at the time of conversion was recorded as a gain on debt forgiveness in the interim condensed statement of income and comprehensive income.

On February 26, 2018 the Company closed a private placement of 8,900,000 shares, comprised of 3,900,000 shares at $0.05 and 5,000,000 Flow-through shares at $0.07 per share and for an aggregate total of $545,000.

On April 1, 2018, the Company entered into an agreement with a consultant related to the President and Chief Executive Officer to perform services for a term of 2 years for $6,000 per month

On April 23, 2017, Arvin Ramos was appointed Chief Financial officer.

On April 24, 2018, the Company entered into a Mining Claim Acquisition Agreement with Goldstone Resources Inc. ("Goldstone"), to acquire 100 per cent interest in 26 mining claims located in Deloro Township, Ontario ("Faymar Property"). Upon closing, the total consideration payable to Goldstone shall be $20,000 which will be paid by the issuance of 200,000 common shares of CTEC at a value of $0.10 per share. Various claims are subject to a net smelter royalty of 0.2%.

On May 24, 2018, the Company entered into an agreement with the President and Chief Executive Officer to perform services for a term of 3 years for $10,000 per month.

Exploration and Development Summary

CTEC has a total of 381 claims units in the Porcupine Mining District ("The Timmins Area Project"), of which 63 are patented claims included in the Dayton Agreement and the Racetrack Agreement.

CTEC has a total of 318 unpatented claim units of which 30 claim units are located in the Deloro Township, 83 in Ogden Township, 131 in Mountjoy Township, 57 in Godfrey Township, 11 in Jamieson Township, 5 in Robb Township and 1 in Turnbull Township.

Trends

Current stock market conditions for public junior resource companies are not supportive of funding grassroots exploration or even advancing resource projects due to lower metal prices and the significant drop in oil prices. Given the difficulties in raising new capital through the equity markets, such companies are seeking out alternative sources of capital such as joint ventures with strategic partners, raising capital with financial partner equity groups, and investment from royalty-streaming investment groups. It is uncertain how long this trend will continue. Otherwise there are no unusual trends, events or uncertainties presently known or identifiable to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations. The nature of the Company's business is demanding of capital for property acquisition costs, exploration and holding costs. The Company may stake ground as it becomes available for exploration and will drop claims from time to time if claims are deemed to have a low potential for a discovery. The Company intends to utilize cash on hand to meet its obligations and will continue to raise funds primarily by equity financings as necessary to augment this cash position as it does not have any operating cash flow.

Flow-Through Expenditure Commitment

As of March 31, 2018, the Company's remaining obligation for flow-through expenditures was $340,100

Office and Management and Consulting Fee Commitment

The Company is committed to monthly payments under the terms of operating agreements for the office space and management and consulting fees. The aggregate remaining payments per year are as follows:

2018	$ 74,858
2019	$ 246,478
2020	$ 228,779
2021	$ 58,000

Use of Funds

The Company will spend its available funds to further its stated business objectives. Specifically, the available funds will be spent to explore and develop the Timmins Area Project. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

Industry Risks

The Company is subject to numerous risk factors that may affect its business prospects in the future. These include risks inherent to exploration, development and operating companies, dependence on key personnel, commodity prices, and availability of capital, environmental and permitting risks, acquisition risks, competition and potential risks relating to land titles.

There are certain risk factors that could have material effects on the Company that are not quantifiable at present due to the nature of the Company's industry segment and other considerations.

Additional Capital

The exploration and development activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Exploration Development and Operating Risk

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to property, and possible environmental damage. None of the properties in which the Company has an interest have a known body of commercial ore. Development of the Company's mineral properties will follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercially viable bodies or 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. Substantial expenditures are required to establish reserves through drilling, to develop process flow sheets, to extract the metal from the resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Business Risk

The success of the operations and activities of CTEC Resources is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Commodity Prices

The price of the Company's common shares, its financial results, and exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new project developments, improved production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining, precious and base metals or interests related thereto. The effect of these factors on the price of metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

To the Company's knowledge, there are no liabilities to date which relate to environmental risks or hazards.

Risks Related to Environmental, Mining and Other Regulations
CTEC and its prospective customers are subject to extensive environmental, health and safety regulations that impose, and will continue to impose, significant costs and liabilities. In addition, future regulations, or more stringent enforcement of existing regulations, could increase those costs and liabilities, which could adversely affect the Company's results of operations.

Acquisition
The Company uses its best judgment to acquire mineral properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. CTEC cannot assure that it can complete any acquisition that it pursues, or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company. The Company's management and directors have experience globally, thus, potential acquisitions may be outside of Canada.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospective properties for mineral exploration and development in the future.

Land Title
The Company has not sought formal title opinions on its mineral property interests in Canada. Any of the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. The Company has no present knowledge of any material defect in the title of any of the properties in which the Company has or may acquire an interest.

Review of Operations
Selected Annual Information

	Date of Incorporation November 10, 2017 to December 31, 2017
Loss before income taxes	$ 475,582
Net Loss and comprehensive loss	$ 475,582
Loss per share – basic and diluted	$ 0.048
Total Assets	$ 499,977

Three Months Ended March 31, 2018
The Company had a net income of $23,603 or $0.001 per share for the three months ended March 31, 2018.

Professional fees were $61,787 for the three months ended March 31, 2018. Fees are higher in the current period due to increased legal fees. These fees were related to the purchase of the Timmins Area Properties and routine professional services such as legal advice and audit fees. These expenses will increase on a going forward basis as the Company becomes more active and starts to raise additional funds.

General and administrative costs were $4,505 for the three months ended March 31, 2018. These expenses will increase on a going forward basis as the Company becomes more active and starts to incur increased operating costs.

Shareholder information costs were $672 for the three months ended March 31, 2018. These expenses will increase on a going forward basis as the Company becomes more active and starts to incur increased operating costs.

Investor relations and travel costs were $1,575 for the three months ended March 31, 2018. These expenses will increase on a going forward basis as the Company becomes more active and starts to incur increased operating costs.

Total exploration and evaluation costs increased in the three months ended March 31, 2018 by $15,831 to a cumulative total of $380,417. The increase is due to geophysics and magnetic survey completed on the Timmins Area Properties.

Selected Quarterly Financial Data

	March 31, 2018 $	*Date of Incorporation November 10, 2017 to December 31, 2017* $
Income (loss) and comprehensive income (loss)	23,603	(475,582)
Income (loss) per share, basic and diluted	$0.001	($0.048)
Total assets	568,436	499,977

Liquidity and Capital Resources

The mineral properties of the Company are in the exploration and development stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company's properties depends on the ability of the Company to obtain financing.

If the Company's exploration programs are successful, additional funds will be required to develop the Company's properties and to place them into commercial production. The only source of future funds presently available to the Company is through the issuance of share capital, or by the sale of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing or sale of an interest in the future will depend in part upon the prevailing market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised through the issuance of shares, control of the Company may change and shareholders may experience dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

As at March 31, 2018, the Company had cash of $473,574 (December 31, 2017 - $499,977) to settle current liabilities of $180,415 (December 31, 2017 - $825,559). As such, liquidity risk for the Company should be considered high. All of the Company's financial trade liabilities have contractual maturities of less than one year and are subject to normal trade terms.

As at March 31, 2018, the Company had working capital of $388,021 (December 31, 2017 - a working capital deficiency of $325,582). In order to meet its longer-term working capital needs and property exploration expenditures, the Company intends on securing additional financing to ensure that those obligations are properly discharged. As such, management believes that the Company will then have sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that CTEC will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised through the issuance of shares from the treasury of the Company, control of CTEC may change and shareholders may experience additional dilution. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of, or eliminate one or more of its exploration activities or relinquish some or all of its rights to certain of its interests in mineral properties.

The Company's interest rate risk related to interest-bearing obligations and deposits is as follows:

The Company is subject to interest charges of 10% on related party loans payable (Note 11).

Transactions with Related Parties

As at March 31, 2018, the trade and other payables balance includes related party amounts of $2,478 (December 31, 2017 - $nil). The related parties are directors and officers of the Company, an individual who is related to the President and CEO of the Company and entities over which executive management and directors have control or significant influence. The amounts are for services rendered during the year and arose as a result of transactions entered into with the related parties in the ordinary course of business.

The Company executed a Promissory Note with directors and officers of the Company in the aggregate amount of $350,000 as at December 31, 2017. The Promissory Notes are unsecured and bear an interest at a rate 10% calculated and payable semi-annually.

On February 26, 2018 the Company entered into a Conversion Agreement with each of its Promissory Note holders to which the parties agreed to convert $350,000 of debt for 4,900,000 commons shares. The commons shares were valued at a fair value of $0.05 per share for a total of $245,000. The remaining $105,000 was recorded as a gain on debt forgiveness in the interim condensed statement of income and comprehensive income. The accrued interest amount of $8,438 was forgiven by the Promissory Note holders at the time of conversion was recorded as a gain on debt forgiveness in the interim condensed statement of income and comprehensive income.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2018 were as follows:

		Three Months Ended March 31, 2018
Management and consulting fees	**$**	**-**

Other Information

Additional Disclosure for Venture Companies without Significant Revenue

The following is additional financial information for the period regarding the Company as required by National Instrument 51-102 – Continuous Disclosure Obligations, for TSX-V issuers.

		March 31, 2018
Exploration and evaluation expenditures	**$**	**15,831**
Administrative expenses	**$**	**74,004**
Total assets	**$**	**568,436**

		***For the three months ended March 31,* 2018**
Exploration and evaluation expenditures		**Expensed**
Geophysics	**$**	**4,800**
Magnetic Surveys		**5,100**
Other exploration and evaluation expenditures		**5,931**
Total exploration and evaluation expenditures	**$**	**15,831**

Administrative Expenses	*For the three months ended March 31,* 2018
General and administrative	**4,505**
Interest on related party loans	**5,465**
Professional fees	**61,787**
Shareholder information	**672**
Investor relations and travel	**1,575**
	$ 74,004

Outstanding share data	As at March 31, 2018
Issued and outstanding common shares	**28,800,000**

Significant Accounting Policies

Dividends

The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

Assessment of Recoverability of Future Income Tax Assets

In preparing the financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not," a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the income statement.

Assessment of Recoverability of HST Recoverable

The carrying amount of HST Recoverable is considered representative of its values. The Company assesses the likelihood that HST will be recovered and, to the extent that recovery is considered doubtful, a provision for doubtful accounts is recorded.

Critical Accounting Policies

Going Concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interest in mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values.

The Company has historically relied on equity financing to raise capital and future raises may be impacted by the current global situation and economic uncertainties. Management has considered how these conditions may impact the Company's viability given its current capital structure and considers that until the outcome of financing activities is known there is significant doubt about the Company's ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements.

Management plans to secure the necessary financing through the issuance of new equity or debt instruments, and/or by entering into joint venture arrangements. Nevertheless, there is no guarantee that these initiatives will be successful.

The Company will require substantial additional funds to further explore and, if warranted, develop its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company 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 the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

Income Tax

The Company accounts for income taxes in accordance with the asset and liability method. The determination of future income tax assets and liabilities is based on the differences between the financial statement and the income tax bases of assets and liabilities, using substantively enacted tax rates in effect for the period in which the differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized.

Cash

Cash consists of cash held with a Canadian chartered bank.

Loss per Share

Basic loss per share is determined by dividing the net loss by the weighted average number of ordinary shares outstanding during the financial period. Diluted loss per share is calculated using the treasury stock method. The amount is the same as basic loss per share as the effect of including potential issues of shares under option or from warrant exercises would be anti-dilutive.

Capital Management

The Company includes shareholders equity (deficit) in the definition of capital.

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 mineral properties and to ensure it continues as a going concern. 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.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Recent market conditions have and are expected to continue to have an adverse impact on the ability of junior mining exploration companies to secure equity funding. The Company relies on equity financing to raise capital and will continue its attempts to do so. Although CTEC was successful in securing debt and equity financing in the current and recent periods, there is no guarantee that future fund-raising attempts will be equally successful.

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 classifies financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates;

And
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash is classified as level 1.

Financial Risk Factors

Financial Liabilities

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables and due to related parties are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive loss. At March 31, 2018 the Company has not classified any financial liabilities as FVTPL.

Risks

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

(i) Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment. The Company's credit risk is primarily attributable to cash and receivables and other assets included in current assets. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which are held by a Canadian chartered bank, and management believes the risk of loss is remote. The Company's receivables and other assets are normally collected within a 60-90 day period. The Company has not experienced any significant collection issues to March 31, 2018.

The Company's maximum exposure to credit risk as at March 31, 2018 is the carrying value of cash.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due and ensuring an adequate supply of funds to enable the Company to carry out its intended programs. As at March 31, 2018, the Company had a cash balance of $473,574 (December 31, 2017 - $499,977) to settle current liabilities of $180,415 (December 31, 2017 - $825,559). As such, liquidity risk for the Company should be considered high. All of the Company's financial trade liabilities have contractual maturities of less than one year and are subject to normal trade terms.

As at March 31, 2018, the Company had working capital of $388,021 (December 31, 2017 - a working capital deficiency of $325,582). In order to meet its longer-term working capital needs and property exploration expenditures, the Company intends on securing additional financing to ensure that those obligations are properly discharged. As such, management believes that the Company will then have sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that CTEC will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised through the issuance of shares from the treasury of the Company, control of CTEC may change and shareholders may experience additional dilution. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of, or eliminate one or more of its exploration activities or relinquish some or all of its rights to certain of its interests in mineral properties.

(iii) Interest Rate Risk

The Company's interest rate risk related to interest-bearing obligations and deposits is as follows:

The Company is subject to interest charges of 10% on related party loans payable (Note 10).

Additional Capital

The continued exploration by the Company will require substantial additional financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing since the equity investment that constitutes the primary asset of the Company is linked to such prices.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates and judgments relate to, but are not limited to, the following:

- accounting policy for exploration and evaluation expenditures as an expense;
- ownership and control of property requires the use of judgment; and
- assessment of the going concern assumption as detailed in Note 1 to the financial statements.

Forward Looking Statements

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

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

Dated June 8, 2018

"Charles Gryba"
President and Director