

AMERICAN CREEK RESOURCES LTD.

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - FORM 51-102F

For the year ended December 31, 2018

This Management's Discussion and Analysis ("MD&A") provides a discussion on the financial and operating results of American Creek Resources Ltd. ("American Creek" or the "Company") for the three- and twelve month periods ended December 31, 2018 (the "fourth quarter 2018" and "year ended 2018") and compares the results with the three- and twelve month period ended December 31, 2017 (the "fourth quarter 2017" and "year ended 2017"). In order to gain a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read in conjunction with the December 31, 2018 audited financial statements and accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with the appropriate provincial regulatory bodies. The Company regularly discloses additional information through press releases and financial statements available on the Company's website at www.americancreek.com and on SEDAR at www.sedar.com.

This MD&A was prepared as of April 29, 2019 (the "Report Date").

All monetary amounts are expressed in Canadian dollars, unless otherwise noted.

1. Business Overview

American Creek's business purpose is to acquire and explore mineral properties, principally for precious metal deposits. The Company was incorporated and commenced operations in British Columbia pursuant to the *Companies Act* (British Columbia) on February 12, 2004. In late August 2005, the Company was continued under the provisions of the *Business Corporations Act* (Alberta). On December 11, 2018, the Company continued again into British Columbia. American Creek has no producing property and no earnings and therefore has financed its activities to date by the sale of common shares.

The Company carries on exploration on mining properties and has not yet determined whether these properties contain economically viable mineral deposits. The Company holds interests in properties located in various regions of British Columbia in Canada. These properties are presented below under "Exploration projects". The Company concentrates its efforts towards precious metals, with a specific interest in properties containing gold and silver. The Company's common shares are traded on the TSX Venture Exchange ("TSXV") under the symbol AMK.

2. Exploration Projects

All of American Creek's exploration projects are located in British Columbia, Canada.

During the year ended 2018, expenditures included in exploration and evaluation assets were \$381,875. These amounts include assay and reporting costs, geological consulting and claim maintenance for the Gold Hill, Ample Goldmax and Dunwell properties. A diamond drill program was also completed on the Gold Hill property.

A detailed schedule of costs, capitalized on the Company's balance sheet by property name, can be referenced in note 9 of the December 31, 2018 audited financial statements. Additional details of the exploration progress for properties of interest owned by the Company is provided on the Company's website and below:

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Electrum Project (40% interest)

The Electrum Project consists of six claims located approximately 40 km north of Stewart, British Columbia. American Creek initially acquired 100% interest in the Electrum property in 2007 pursuant to an option agreement entered into effective September 15, 2004. The vendors retained a 2% NSR royalty interest in the project, which the Company may purchase for \$1,000,000.

In 2016, the Company entered into a joint venture agreement to sell an undivided 60% interest in its Electrum property and Slippery Willow property. A 60/40 joint venture was formed and Tudor is the operator of the project. The Company maintains a 40% interest in the property and is required to contribute 40% of the costs of exploration on the property upon specific notice from the operator. No exploration costs were expended during the third quarter however, a non-refundable payment of \$50,000 cash was received under an option agreement to purchase the Electrum Property. The option expired on April 15, 2019.

Treaty Creek Project (20% interest carried through exploration)

The Treaty Creek Project covers approximately 114 square km in the Skeena Mining District of northern British Columbia and is situated approximately 70 km north of Stewart. It is directly north of and adjoining the Kerr-Sulphurets-Mitchell property held by Seabridge Gold Inc. Also, immediately to the south, is Pretivm Resources Inc.'s, highly prospective Brucejack Project which includes the area known as the Valley of the Kings.

The Company currently owns a 20% interest in the property which is "fully carried" during the exploration period until a production notice is given. Thereafter, the Company will be responsible for 20% of the total costs under and subject to the terms of the joint venture.

Gold Hill Project (100% owned)

The 100% owned Gold Hill property covers approximately 836 hectares and is located along the western edge of the Kimberly Gold Trend in the Fort Steele Mining Division near Cranbrook, BC. The property contains a significant portion of the Boulder Creek drainage, a headwater tributary of the Wild Horse River, considered to be one of the greatest gold rivers in the entire province. Gold rushes have taken place there since the 1860's that have yielded 48 tonnes of reported gold, making it Canada's 4th largest placer producer. The majority of the gold recovered from the Wild Horse was located along a 6 km stretch between Boulder Creek (upstream) and Brewery Creek (downstream). Early efforts by Cominco and others to locate the source of the Wild Horse placer gold led explorers up Boulder Creek to what is now called the Gold Hill property.

During the year ended 2018, \$367,648 (2017 - \$14,292) was spent on exploration work to compile and create geological reports for further work recommendations. During the fourth quarter 2018, the Company also carried out a diamond drill program on the property which was completed on

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January 8, 2019. Assay results were included in the Company's press release dated March 15, 2019 and can be found on the Company's website.

Dunwell Property

The Dunwell property is a combination of three separate but adjoining properties acquired in 2016 located near Stewart, British Columbia. These properties are named the Silvershot property, the Dunwell Gold Mine Property and the Bear River Property. The contiguous land position is located approximately 7 km from Stewart, British Columbia and now spans some 1,560 hectares covering a significant portion of the rich Portland Canal Fissure Zone.

A small exploration program was conducted during the year ended 2017 incurring exploration costs in the amount of \$23,935. During the year ended 2018, costs of \$1,819 related to analysis of the 2017 exploration program were incurred. The program consisted of locating historic workings, prospecting new areas of interest, geological mapping, conducting extensive geochemical sampling and some initial surveying. The focus of these early stages of exploration is to identify and correlate potential drill targets associated with the historic records and past work done on the property. Currently the Company is in the process of obtaining a permit for a summer diamond drill program designed to target known ore bodies below the existing mine.

Other Properties, British Columbia, Canada

The *Austruck-Bonanza Property* is located within the Kamloops Mining Division 53 kilometers north west of the city of Kamloops in south central British Columbia. It lies within the southern extension of the Quesnel Trough (a heavily mineralized major trend through central B.C) and is contiguous with WestKam Gold's Bonaparte Gold property to the south east. During the year ended 2018, the Company incurred \$nil (2017 - \$1,895) in exploration and evaluation costs.

The *Ample Goldmax* property package spans 1,044 hectares and is located approximately 8 km west of Lillooet, BC. The property demonstrates an excellent exploration target in the search for an economic deposit of gold with associated silver and copper. The property is being acquired through a four year option agreement. (See payment terms in the December 31, 2018 audited financial statements and the Company's press release dated September 15, 2016.) Exploration costs in the amount of \$12,408 were incurred during the year ended 2018.

The *Glitter King Property* is located on the eastern side of Pitt Island approximately 90 km south of Prince Rupert, BC. The property is part of the southern extension of the Alexander Terrane which is host to numerous significant massive sulphide deposits with copper, gold, silver, lead and zinc. The property is being acquired through a four year option agreement. (See payment terms in the December 31, 2018 audited financial statements and the Company's press release dated September 15, 2016.)

The *Silver Side Property* is located in the Kamloops mining division approximately 20 km north of Clearwater, BC and approximately 50 km west of Imperial Metal's Ruddock Creek lead/zinc deposit. Past exploration work on the property resulted in showings of very high grade mineralization silver, lead and zinc. The property is being acquired through a four year option

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agreement. (See payment terms in the December 31, 2018 audited financial statements and the Company's press release dated September 15, 2016.)

The *Red Tusk Property* is located in southwestern BC approximately 12 km west of Squamish, BC. The property was being acquired through a four year option agreement however the Company returned the mineral claims in 2017 to the vendor and all acquisition and exploration costs in the amount of \$16,786 were written down.

3. Results of Operations

The Company adopted International Financial Reporting Standards ("IFRS") effective January 1, 2011. The financial information in this MD&A has been prepared using accounting policies consistent with IFRS.

Three months ended December 31, 2018

The Company's net loss for the three month period ended December 31, 2018 was \$195,442 or \$0.00 per common share, as compared to a net loss of \$1,055,565 or \$0.01 per common share for the same period in 2017. Significant variances are described in the paragraph below.

- Advertising and promotion increased by \$11,080 due to increased marketing. Expenses in 2017 also include upgrades to the Company's website.
- Corporate communication costs increased by \$9,613 as AGM costs were billed in the fourth quarter of the year in 2018.
- Management fees allocated to operational expenses decreased by \$82,253. This decrease reflected an incentive payment paid to a management contractor in 2017 for past performance.
- Professional fees increased by \$8,096 due to decreased use of legal counsel required for corporate strategy and operations and audit fees.
- A loss on the sale of investments was incurred in 2017 of \$337,113 while in 2018 the loss in the same period was \$41,814.
- A gain on the write off of accounts payable was recognized in 2017 in the amount of \$63,771 which was not present in 2018.

Year ended December 31, 2018

| Year Ended: | Dec. 31 2018 | Dec. 31 2017 | Dec. 31 2016 |
|---|--------------------|--------------------|--------------------|
| Year: | \$ | \$ | \$ |
| Revenue | \$Nil | \$Nil | \$Nil |
| Net loss (000s) | 664 | 1,584 | 12,695 |
| Loss per share – basic and dillutive | .00 | .01 | .06 |
| Total assets (000s) | 3,142 | 3,041 | 3,606 |
| Total non-current financial liabilites | 35,073 | 36,942 | 39,359 |
| Cash dividends | \$Nil | \$Nil | \$Nil |

The Company's net loss for the year ended December 31, 2018 was \$664,112 or \$0.00 per common

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share, as compared to a net loss of \$1,583,699 or \$0.01 per common share for the same period in 2017. Significant variances are described in the paragraph below.

- Filing and transfer agent fees decreased by \$7,546 as due to timing of AGM costs and meetings.
- Management fees decreased by \$72,300 as the Company paid an incentive payment to a management contractor in 2017 for past performance. The Company also utilized less time from its management contractors.
- Professional fees increased by \$6,284 due to reduced legal consultation required for corporate strategy and operations.
- Office and administration costs were reduced by \$11,259 due to a reduction in travel costs and related administrative activities performed by contractors.
- Stock based compensation for options granted decreased by \$104,576 for the options issued during 2018. The Black-Scholes valuation method for the options issued in 2018 was \$29,704 as compared to \$134,280 that was recorded in the same period in 2017.
- A loss on the sale of investments was incurred in 2018 of \$52,938 while in 2017 the loss in the same period was \$898,888.
- A gain on the write off of accounts payable was recognized in 2017 in the amount of \$63,772 which was not present in 2018.

4. Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for the eight most recent fiscal quarters.

| Quarter Ended: | Dec. | Sep. | June | Mar. | Dec. | Sep. | June | Mar. |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 31 | 30 | 30 | 31 | 31 | 30 | 30 | 31 |
| Year: | 2018 | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 |
| Net sales or total revenue (000s) | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil | \$Nil |
| Total Assets (000s) | \$3,142 | \$2,752 | \$2,854 | \$2,986 | \$3,041 | \$3,419 | \$3,536 | \$3,455 |
| Net loss: | | | | | | | | |
| (i) in total (000s) | \$195 | \$145 | \$154 | \$170 | \$1,097 | \$148 | \$208 | \$131 |
| (ii) per share ⁽¹⁾ | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 |

(1) Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive.

While the information set out in the foregoing table is mandated by *National Instrument 51-102*, it is Management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue. Because the majority of such companies' expenditures consist of exploration costs that are capitalized, their quarterly losses usually result from costs that are of a general and administrative nature.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from factors that are difficult to anticipate in advance or to predict from past results. They are as follows: (i) decisions to write off deferred exploration costs when management concludes there has

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been an impairment in the carrying value of a mineral property, or the property is abandoned, and (ii) the granting of incentive stock options, which results in the recording of amounts for stock-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter. A third factor that can have a major influence on quarterly results of junior exploration companies that finance a portion of their activities through the issuance of flow-through shares is the renunciation of qualifying Canadian Exploration Expenses to the investors who purchased the flow-through shares.

American Creek is in the minerals exploration business, and has not generated any sales or revenues since its formation in early 2004. Consequently, the Company has experienced operating losses from quarter to quarter. These losses include expenditures on general and administrative activities, advertising and promotion, and depreciation of investments in property and equipment, all of which result from the Company's ongoing exploration activities. Superimposed on regular quarterly operating costs are (a) the write-offs of deferred exploration costs when property values are considered impaired or claims are abandoned for failing to meet the Company's criteria for continued capitalization, (b) the recording of stock-based compensation expense associated with the granting of incentive stock options and, (c) renunciation of qualified Canadian exploration expenses to investors who have purchased the Company's offerings of flow-through shares resulting in income tax recovery.

In the first quarter 2018, the Company incurred a net loss of \$169,719 as compared to a net loss of \$1,097,565 in the fourth quarter 2017. Reductions in professional fees and management fees both assisted in reducing the loss between the comparable periods. However, adjustments for the gains and losses on the sale of investments were the largest variance reducing expenses by \$955,201. Stock based compensation in the first quarter 2018 was \$23,731 as compared to \$Nil in the previous period.

During the second quarter 2018, the Company incurred a net loss of \$154,244 as compared to a net loss of \$169,719 in the first quarter 2018. Professional fees increased by \$13,623 while advertising and promotion decreased by \$4,526. Business development costs, corporate communications, management fees, listing and transfer agent fees and office and administration costs all decreased as compared to the previous period due to normal operational variations. Stock based compensation was higher in the previous period by the valuation of options issued during the previous quarter.

For the third quarter 2018, the Company incurred a net loss of \$144,707 as compared to a net loss of \$154,244 in the second quarter 2018. Professional fees decreased by \$10,500 while advertising and promotion decreased by \$6,478. Corporate communications increased by \$3,918 due to an increased number of press releases during the period and preliminary preparations for the upcoming AGM. Management fees decreased as compared to the prior period in the amount of \$9,412. The loss of the sale of investments for the third quarter was \$16,734 as compared to \$2,618 in the prior period. All other expense variances were nominal.

During the fourth quarter 2018, the Company incurred a net loss of \$195,442 as compared to a net loss of \$144,707 in the third quarter 2018. Professional fees increased by \$29,345 and advertising and promotion increased by \$5,853. Corporate communications increased by \$10,206 due to an increased number of press releases during the period and AGM costs during the fourth quarter. Management fees decreased as compared to the prior period in the amount of \$20,741 due to time

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spent by a management contractor reallocated to exploration costs. The loss of the sale of investments for the fourth quarter was \$27,719 as compared to \$16,734 in the prior quarter and a revaluation loss on the shares of \$14,115 was also recognized in the fourth quarter of the current year. All other expense variances were nominal.

5. Liquidity and Capital Resources

The Company's cash and working capital positions at the dates indicated were as follows:

| | December 31 2018 | December 31 2017 |
|------------------------------|-----------------------------|-----------------------------|
| | \$ | \$ |
| Cash | 49,719 | 24,063 |
| Working capital (deficiency) | (678,387) | (302,232) |

During the year ended 2018, private placements for net proceeds of \$590,761 were concluded which were used to fund operations and exploration activities and to reduce the company's payables. Marketable securities were also disposed of for proceeds of \$223,732 to reduce payables and fund operations. A non-refundable cash payment of \$50,000 was also received to secure an option agreement on the sale of the Electrum Property. The option expired on April 15, 2019.

Though the Company has been successful in raising capital during the year ended 2018, the Company will require additional funding to reduce its working capital deficiency, continue operations, and to investigate existing and future exploration and evaluation assets. Additional funding in the form of private placements are needed. Alternative forms of financing that management continues to consider include optioning out or disposing of existing properties and investments where possible.

The Company's properties are in good standing and though agreements on the Ample Goldmax, Glitter King and Silverside properties year two payments are in default, the vendor has agreed to hold the agreements in place until payment can be made. All other properties have been kept current.

The Company does not use financial derivatives.

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

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6. Going Concern

The Company's audited December 31, 2018 financial statements have been prepared using International Financial Reporting Standards as they apply to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company is in the exploration stage and has not generated revenue from operations. The Company showed a net loss of \$664,112 during the year ended December 31, 2018 and as of the same date the Company's deficit was \$37,982,729 and a working capital deficiency of \$678,387. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. These circumstances cause material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities, or to the reported revenues and expenses that would be necessary if the Corporation were unable to realise its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

7. Transactions with Related Parties

Included in accounts payable and accrued liabilities is \$195,279 (!Syntax Error, !7 – \$111,164) due to companies controlled by officers of the Company. These amounts due to related parties are unsecured, bear interest at comparable market rates, and have no specific terms of repayment.

During the **Error! Unknown document property name.** ended December 31, **Error! Unknown document property name.**, the Company incurred the following related party transactions:

- a) Incurred fees in the amount of \$194,838 (!Syntax Error, !7 – \$247,072) to a company controlled by the Company's Chief Executive Officer.
- b) Incurred fees in the amount of \$84,500 (2017 – \$69,000) to a company controlled by the Company's Chief Financial Officer.

For the year ended December 31, 2018, the total remuneration of key management personnel was \$279,338 (2017 - \$316,072) of management fees, \$287,539 (2017 - \$nil) of capitalized exploration expenditures and \$27,229 (2017 - \$110,585) of stock-based compensation.

8. Commitments

Amended NSR Agreement

During 2016, the Company issued 15,000,000 common shares at \$0.05 under an amended agreement with arm's length third parties that hold a NSR related to the Company's interest in the Treaty Creek property located in NW British Columbia. The amended agreement reduces the prior

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\$6 million payment obligation which was potentially triggered if the Company reduced its 51% interest in the property, or granted access for development and tunnel construction.

Additional terms of the amended agreement include:

- The NSR Holders were issued 15,000,000 common shares of the Company.
- The NSR Holders will hold a 2% NSR on certain Treaty Creek property mineral tenures ("Group I") and a 1% NSR on the remaining Treaty Creek mineral tenures ("Group II"). The NSR interests apply only to the Company's interest in the Treaty Creek property. Within 30 days of a Treaty Creek property feasibility study being completed, the NSR Holders will be paid an aggregate sum of \$1,500,000 in order for the Company to collectively buy out 0.75% of the Group I NSR and 0.25% of the Group II NSR. At any time the Company may buy out a further 0.75% of the Group I and 0.25% of the Group II NSR for the aggregate sum of \$1,500,000. The NSR Holders will retain a 0.5% NSR on the Group I and Group II mineral tenures.
- The NSR Holders were entitled to 25% of any cash payments or securities the Company received related to the Company entering into an agreement with a third party to advance the Treaty Creek project such that it disposes directly or indirectly of any of its interest in the Treaty Creek property. During 2016, the Company disposed 31% of its 51% interest for 500,000 common shares of the purchaser, and as such had to transfer 125,000 of those common shares to NSR Holders fulfilling this obligation under the agreement.
- The Company will pay the NSR Holders 25% of any consideration the Company may receive from any non-governmental party for access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose, or fees for the use of the Company's own infrastructure facilities.
- The Company will pay the NSR Holders 25% of any compensation proceeds the Company may receive from any governmental or quasi-governmental agency for the loss of any rights resulting from the expropriation of access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose.

Mineral Property Acquisitions

During 2016, the Company entered into four year option agreements to purchase 100% interest in the Ample Goldmax Property, the Glitter King Property, the Silverside Property and the Red Tusk Property. The outstanding terms of each of the agreements are as follows:

Ample Goldmax Property

\$7,000 cash payment within 5 business days of TSX-V approval (paid) and issuance of 100,000 common shares within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (note 9);

Year 1 - \$10,000 cash payment (paid), 200,000 common shares issued to the optionor (issued with a fair value of \$14,000) (notes 9 and 12) and \$15,000 in exploration work conducted on the property prior to the one year anniversary of the agreement (paid);

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Year 2 - \$15,000 cash payment, 250,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the two year anniversary of the agreement (in default);

Year 3 - \$30,000 cash payment, 300,000 common shares issued to the optionor and \$75,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$100,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 25% bulk sample royalty on any net profits the Company receives from the extraction of a bulk sample as well as a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Glitter King Property

\$7,500 cash payment within 30 business days of TSX-V approval (paid) and issuance of 100,000 common shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (notes 9 and 12);

Year 1 - \$10,000 cash payment (paid), 100,000 common shares issued to the optionor (issued with a fair value of \$7,000) (notes 9 and 12) and a minimum of \$10,000 in exploration work conducted on the property prior to the one year anniversary of the agreement (paid);

Year 2 - \$20,000 cash payment, 150,000 common shares issued to the optionor and \$20,000 in exploration work conducted on the property prior to the two year anniversary of the agreement (in default);

Year 3 - \$30,000 cash payment, 200,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$35,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Silverside Property

\$5,000 cash payment within 30 business days of TSX-V approval (paid) and issuance of 50,000 common shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$4,750) (notes 9 and 12) (paid);

Year 1 - \$10,000 cash payment (paid), 75,000 common shares issued to the optionor (issued with a fair value of \$5,250) (notes 9 and 12) and a minimum of \$5,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

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Year 2 - \$20,000 cash payment, 100,000 common shares issued to the optionor and \$10,000 in exploration work conducted on the property prior to the two year anniversary of the agreement (in default);

Year 3 - \$30,000 cash payment, 150,000 common shares issued to the optionor and \$30,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$50,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Red Tusk Property

The option agreement related to the Red Tusk Property was terminated during the year ended December 31, 2017.

All cash payments, share payments and work commitment amounts in each of the agreements may be accelerated at the Company's discretion.

9. Risk Factors Relating to the Company's Business

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to

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their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

10. Outlook

The Company is also optimistic that as commodity prices show renewed strength in volatile capital markets that investor interest will be revived towards exploration companies. This will be especially true for those who hold prospective properties in favorable locations like the Golden Triangle. Current market conditions also present opportunities for companies like American Creek to accumulate quality exploration projects that have been undervalued due to the industry's difficulty in raising capital. The Company continues to look for these types of projects, where possible, to supplement its existing portfolio. As market conditions improve, greater emphasis will be placed on further exploration of the most promising properties within the Company's portfolio where possible.

11. Securities Outstanding at the Report Date

The Company had 279,938,650 common shares, 27,620,000 stock options and 50,900,000 warrants outstanding at the Report Date. Options are exercisable at between \$0.05 and \$0.10 per share and expire between March 20, 2022 and January 17, 2029. The warrants are exercisable at prices ranging between \$0.06 and \$0.10 per common share depending upon the exercise date and expire between October 19, 2019 and March 22, 2020. If all options and warrants were to be exercised, the Company's treasury would increase by approximately \$6,000,000 and the Company would have 358,458,650 common shares issued and outstanding.

12. Subsequent events

Stock Options

On January 16, 2018, the Company granted 4,500,000 options to directors and officers at \$0.05 per share expiring on January 17, 2029.

Share Issuance

On January 15, 2019, the Company completed a private placement offering of 2,000,000 units at \$0.05 per unit for gross proceeds of \$100,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.06 per share.

On January 16, 2019, the Company issued 3,291,441 common shares to a non-arms length contractor at a price of \$0.05 per share in a share for debt arrangement. The debt had a carrying value of \$164,527.

On March 22, 2019, the Company closed a private placement offering of 3,200,000 units at \$0.05 per unit for gross proceeds of \$160,000 if fully subscribed. Each unit will consist of one common

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share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.06 per share.

Forward-looking information

Certain information contained in this document constitutes forward-looking statements regarding the Corporation's mineral properties. Forward looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate" or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the reasonable opinions and estimates of management of American Creek and are subject to a variety of risks, uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include: the inherent risks involved in the exploration and development of mineral properties, uncertainties involved in the interpretation of drill results and other geological data, fluctuating commodity prices, unforeseen permitting requirements, changes in environmental laws or regulations, the possibility of project cost overruns or unanticipated costs and expenses, weather conditions, the availability of contractors for equipment and services, the availability of future financing and general business and economic conditions. Such statements are also based on a number of assumptions which may prove to be incorrect, including assumptions about general business and economic conditions being accurate, the timing and receipt of regulatory approvals for projects and operations, the availability of financing, the ability to secure equipment and labour, and American Creek's ongoing relationship with third parties. The foregoing factors, risks and assumptions are not exhaustive. Events or circumstances could cause actual events or results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are as of the date they are made and American Creek disclaims any obligation to update any forward-looking statements, except as required by law.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com) No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.