

WINWELL VENTURES INC.

(the "Company")

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016 and 2015

Date and Subject of this Discussion and Analysis

This discussion and analysis, made as of February 27, 2017, is integral to, and should be read in conjunction with, the Company's audited financial statements for the year ended December 31, 2016. These financial statements, and additional information relating to the Company, are available for viewing at www.sedar.com.

Nature of Business and Overall Performance

Winwell Ventures Inc. (the "Company") was incorporated under the Yukon *Business Corporations Act* on May 26, 2000. On June 14, 2006, the Company changed its name from Nutramed Capital Corp. to Winwell Ventures Inc., and changed its governing jurisdiction from the Yukon Territory to British Columbia pursuant to the British Columbia *Business Corporations Act*.

Effective December 7, 2010, the Company consolidated its capital stock on a 10:1 basis. As a result of the consolidation, all per-share information in the financial statements has been retrospectively restated to reflect the consolidation.

The Company's principle business is to identify and evaluate opportunities to acquire an interest in assets or a business. Since inception, the Company has spent the majority of the capital it raised in the pursuit and investigation of such opportunities. The Company does not have active business operations or assets other than cash.

On December 8, 2016, the Company announced that it has agreed to complete a series of transactions with Carlin Opportunities Inc. ("Carlin") and Waterton Precious Metals Fund II Cayman, LP ("Waterton") that will result in Winwell acquiring Clover Nevada II LLC ("Clover Nevada") from a subsidiary of Waterton (being, Waterton Nevada Splitter, LLC ("Waterton Nevada")). The proposed transactions will be effected through a securities exchange agreement (the "Securities Exchange Agreement") and an arrangement agreement (the "Arrangement Agreement"), each dated December 8, 2016 and amended January 31, 2017. The transactions are conditional on Carlin and Winwell raising net proceeds of CAD\$20,000,000 in financing transactions with closing occurring within 18 months, and other customary conditions.

Arrangement Agreement:

Winwell and Carlin have entered into the Arrangement Agreement pursuant to which it is proposed, among other things, that the following transactions will occur by way of a court approved statutory plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement"):

- The completion by Winwell of a share consolidation on the basis of one (1) new common share in the capital of Winwell (the "Winwell Shares") for every eight (8) existing Winwell Shares;
- The conversion of the Subscription Receipts (defined below) into common shares of Carlin (the "Carlin Shares") which will automatically be exchanged for Contact Gold Shares (defined below);

- The acquisition by Winwell of all of the issued and outstanding Carlin Shares in exchange for the issuance of Winwell Shares (on a post-consolidation basis) to shareholders of Carlin on a one (1) share for one (1) share basis; and
- The authorization for Winwell to continue into the State of Nevada (the "Continuance") and change its name to "Contact Gold Corp." ("Contact Gold").

Completion of the Arrangement will be subject to certain conditions, including among others: (i) the requirement for Winwell to obtain approval of at least 66 $\frac{2}{3}$ percent of the votes cast by shareholders of Winwell at a special meeting of shareholders of Winwell; (ii) the requirement for Carlin to obtain approval of the shareholders of Carlin (which will be evidenced by a unanimous written consent resolution); (iii) court approval of the Arrangement; (iv) completion of the Private Placement (defined below); (v) obtaining conditional approval of the TSX Venture Exchange to the listing of the Contact Gold Shares; and (vi) other than the completion of both the Arrangement and the Continuance (which will occur immediately following the Arrangement), the satisfaction or waiver of all other conditions precedent to the closing of the Asset Acquisition (defined below) including all necessary authorizations for Winwell to be continued into Nevada.

The Clover Nevada Acquisition:

Winwell, Carlin, Waterton Nevada and Clover Nevada have also entered into the Securities Exchange Agreement pursuant to which, and in connection with, and after completion of, the Arrangement, Winwell will change its name to Contact Gold, continue to Nevada and acquire all of the issued and outstanding securities of Clover Nevada, which is the holder of the Carlin Trend Properties, in exchange for the issuance of common shares ("Contact Gold Shares") and preferred shares ("Contact Gold Preferred Shares") of Contact Gold to Waterton Nevada or its designee and a cash payment of CAD\$7,000,000 (the "Asset Acquisition", and together with the Arrangement, the "Transactions").

The Carlin Trend Properties are comprised of a portfolio of 2,762 unpatented mining claims distributed over 13 gold properties located on Nevada's Carlin and Independence gold trends.

Upon completion of the Transactions, and after completion of the Private Placement, Waterton Nevada or its designee will own approximately 37% of the issued and outstanding Contact Gold Shares and 100% of the issued and outstanding Contact Gold Preferred Shares. The Contact Gold Preferred Shares will have a face value of CAD\$15,000,000, a maturity date of five years from the date of issuance and a cumulative cash dividend at a fixed rate equal to 7.5% per annum. The Asset Acquisition is subject to a number of conditions, including the implementation of the Arrangement, the completion of the Private Placement, and other customary conditions. There are no assurances the proposed transaction will close on the terms disclosed or at all.

Financing Matters:

Carlin intends to complete a private placement of subscription receipts (the "Subscription Receipts") for aggregate net proceeds of at least CAD\$20,000,000 (the "Private Placement"). On Closing of the Arrangement, the Subscription Receipts will convert into Carlin Shares which will subsequently be exchanged pursuant to the Arrangement and immediately prior to the Continuance for Contact Gold Shares. The net proceeds of the Private Placement will be placed into escrow and released to Carlin as a step in the Arrangement, subject to the satisfaction of a number of conditions including that, other than the completion of both the Arrangement and the Continuance (which will occur immediately following the Arrangement), all other conditions precedent to the closing of the Asset Acquisition shall

be satisfied or waived. Under the Arrangement, the net proceeds of the Private Placement will be distributed by Carlin to Winwell prior to the Continuance.

The net proceeds of the Private Placement will be used by Contact Gold to fund the acquisition of Clover Nevada and indirectly the Carlin Trend Properties, fund further exploration on the Carlin Trend Properties and for general corporate purposes.

Selected Annual Information

The following financial represents selected information of the company for the three most recently completed financial years:

	<u>Years ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net loss for the year	\$ (131,808)	\$ (49,271)	\$ (47,842)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)
Total assets	\$ 862,034	\$ 953,172	\$ 971,251
Total long-term liabilities	\$ -	\$ -	\$ -
Cash dividends per share	\$ -	\$ -	\$ -

Fluctuations in reported earnings during the years are primarily due to changes in professional fees related to the investigation of the Clover Nevada Acquisition described above.

The Company generated no revenues from operations during the periods.

Results of Operations

The Company incurred a loss of \$131,808 for the year ended December 31, 2016, as compared to a loss of \$49,271 for the year ended December 31, 2015. The losses incurred during the year ended December 31, 2015 and 2014 were primarily the result of consulting fees, audit and accounting, transfer agent, filing fees and legal fees. The loss in the current year increased primarily as a result of legal fees relating to the investigation of potential acquisitions.

Fourth Quarter

The Company incurred a loss of \$99,179 for the three months ended December 31, 2016, as compared to a loss of \$16,057 for the three months ended December 31, 2015. The changes in the results were due to legal fees of \$82,190 relating to the investigation of the clover Nevada Acquisition described above, accounting and audit fees of \$5,000 and consulting fees of \$7,500 in 2016.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	December 31 2016	September 30, 2016	June 30 2016	March 31 2016
Net loss for the period	\$ (99,179)	\$ (11,187)	\$ (12,683)	\$ (8,759)
Loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	December 31 2015	September 30, 2015	June 30 2015	March 31 2015
Net loss for the period	\$ (16,057)	\$ (12,241)	\$ (9,066)	\$ (11,906)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

Financial Condition, Liquidity and Capital Resources

The Company had cash of \$656,905 and \$205,129 in receivables, including \$200,000 that was loaned in connection with the Clover Nevada Acquisition described above at December 31, 2016. The Company had accounts payable and accrued liabilities of \$92,231 due within year and no long-term liabilities. The Company requires additional substantial capital in order to close the Clover Nevada Acquisition described above. There is no assurance that the Company will secure such capital on terms acceptable to the Company or on any terms.

Commitment

The Company has an agreement with a related party for the provision of consulting and administrative services at the rate of \$2,500 per month and an additional fee of \$50,000 payable upon the listing of the Company's shares on the TSX Venture Exchange or any other recognized quotation system.

Transactions with Related Parties

The Company incurred the following fees and expenses in the normal course of operations with companies owned or affiliated by key management, directors and officers:

	2016	2015
Consulting fees	\$ 30,000	\$ 30,000
Accounting	3,150	3,000
Legal	-	4,686
	\$ 33,150	\$ 37,686

Consulting fees are payable to a company controlled by a director of the Company. Accounting fees are paid or payable to an officer of the Company. Other than amounts discussed above, there were no short-term employee benefits or share-based payments paid to key management personnel during the years ended December 31, 2016 and 2015

During the year ended December 31, 2015, the Company paid \$nil (2015 - \$4,686) for legal services to a law firm in which the secretary of the Company is a principal.

Accounts payable at December 31, 2016 included \$75,000 (2015 - \$45,000), which is due to a company controlled by a director.

Use of judgments and estimates

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed financial statements and the reported amounts of revenues and expenses during the reported period.

Material Contracts

The Company entered an agreement with a related third party to assist the directors with the reorganization of the Company. The agreement provides for the payment of \$2,500 per month, and a completion fee of \$50,000 at such time the Company's shares are listed for trading on the TSX Venture Exchange or any other recognized quotation system.

Critical Risk Factors

There is no assurance the Company will close the proposed Clover Nevada Acquisition described above.

Financial Instruments

The carrying value of cash and accounts payable and accrued liabilities approximates their fair values due to the short maturity of those instruments. Unless otherwise noted, it is managements' opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

New accounting pronouncements

Certain new standards, interpretations and amendments to existing standards are not yet effective as of December 31, 2016, and have not been applied in preparing these financial statements.

IFRS 9 Financial Instruments – Classification and Measurement

IFRS 9 is a new standard on financial instruments that will replace IAS 39 *Financial Instruments: Recognition and Measurement*.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at

amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Effective for annual periods beginning on or after January 1, 2018.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 Share-based Payment)

*The amendments provide guidance on the accounting for:
the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
share-based payment transactions with a net settlement feature for withholding tax obligations; and
a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.*

Effective for annual periods beginning on or after January 1, 2018

Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Effective for annual periods beginning on or after January 1, 2017

Additional Information

As at December 31, 2016 and the date of this report, the Company had 22,155,978 common shares issued and outstanding.

Directors and Officers

The directors and officers of the Company are:

Murray Oliver	Director & C.E.O
William McCartney	Director
Rick Gill	Director
Jennie Choboter	C.F.O.

The contact person for the Company is: Murray Oliver
Telephone: (604) 329 3139 Email: mjo@pemcorp.com