GATLING EXPLORATION

REPORT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the six months ended September 30, 2018 contains forward-looking information, including forward-looking information about Gatling Exploration Inc.'s (the "Company" or "Gatling") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for six months ended September 30, 2018 should be read in conjunction with the condensed interim financial statements as at September 30, 2018. This MD&A is effective November 28, 2018. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed interim financial statements for the six months ended September 30, 2018 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34 *Interim Financial Statements*, as issued by the International Accounting Standards Board ("IASB").

Prior to September 24, 2018, the historical accounts of the Company were prepared on a carve-out basis from Bonterra, representing the historical operations of the Larder Lake Project since March 16, 2016 (the date of acquisition of the Larder Lake Project by Bonterra) and have been derived from Bonterra's historical accounting records. The historical accounts of the Company reflect the statements of financial position, comprehensive loss, changes in equity and cash flows as if the Larder Lake Project had been an independent operation during the periods reported. The statements of comprehensive loss include an allocation of Bonterra's general and administrative expenses calculated on the basis of the ratio of time spent on the Larder Lake Project as compared to time spent on Bonterra's other exploration and evaluation assets.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on August 2, 2018. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties.

On September 24, 2018, Bonterra Resources Inc. ("Bonterra") completed a plan of arrangement (the "Arrangement") whereby the Bonterra spun out its Larder Lake Project assets of $5697,043 and cash of $7,000,000 in order to create a new exploration company (the Company), by way of plan of arrangement under the Business Corporations Act (British Columbia). Each holder of common shares of Bonterra received one common share of the Company for each seven common shares of Bonterra held.

BOARD OF DIRECTORS

R. Dale Ginn
Position: President, Chief Executive Officer & Director

Mr. Ginn is an experienced mining executive and geologist of nearly 30 years. He is the founder of two exploration and mining companies and has led and participated in numerous gold and base metal discoveries, many of which are in production today. While specializing in complex, structurally-controlled deposits, he also has extensive mine-operations, development and startup experience. Mr. Ginn is recognized as an advocate of First Nations and local community participation in mining and exploration. Mr. Ginn is a registered professional geologist in Manitoba and Ontario and is a graduate of the University of Manitoba.

Nav Dhaliwal
Position: Executive Chairman & Director

Mr. Dhaliwal brings a wealth of entrepreneurial, sales and financing experience. He is particularly adept at nurturing early stage companies through their critical phases of evolution, having founded a number of companies over his career. Mr. Dhaliwal is also very experienced in corporate development, corporate communications and investor relations, bringing valuable business relationships with international analysts, brokers and investment bankers from Canada, the United States and Asia.

Leigh Hughes
Position: Director

Mr. Hughes has been CEO and a director of Comverj Pty Ltd., a boutique Integrated Marketing Communications and Innovations firm, since January 2003. He was appointed Chairman of Next Green Wave, a company established to produce and supply medical and recreational cannabis products to patients throughout the State of California, earlier this year. He is PMI Certified and has completed a Bachelor of Commerce degree at Curtin University, Western Australia. Mr. Hughes is also currently a corporate advisor to multiple listed companies on the ASX, CSE and Exchange.

Richard Boulay, B.Sc.
Position: Director

Mr. Boulay has over 40 years of experience in the exploration and mining industries in Canada and internationally, including 15 years of mining and infrastructure financing experience gained with Bank of Montreal, Royal Bank of Canada and Bank of Tokyo. He has extensive experience in the management and financing of public companies in Canada and the United States. He is also a Director of Moneta Porcupine and Latin American Minerals Inc..

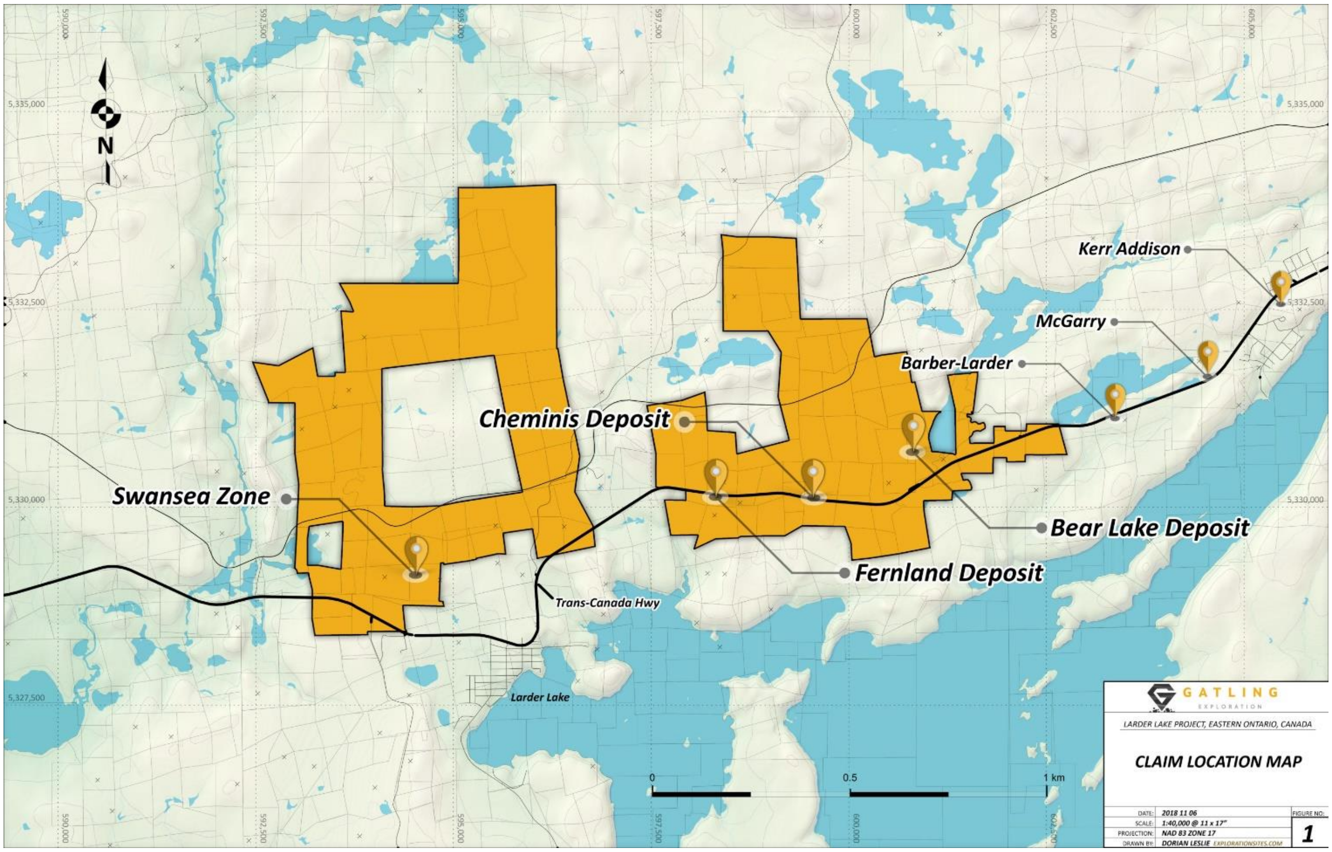
Carrie Cesarone
Position: Director

Ms. Cesarone has worked in the public company sector for over 20 years as a Paralegal. She is an independent contractor for a number of Exchange and Canadian Securities Exchange listed companies. She has been the Chief Financial Officer of Nomad Ventures Inc. since September 2016 and serves as its Secretary. Ms. Cesarone also serves as the Corporate Secretary of Sudamet Ventures Inc. and has been the Corporate Secretary of Goldeneye Resources Corp. since October 2012. She holds a Bachelor of the Arts degree from Simon Fraser University.

BUSINESS OF THE COMPANY

is a Canadian gold exploration company focused on resource development at the Larder Lake Project, a high-grade gold deposit located in the prolific Abitibi greenstone belt. An updated National Instrument 43-101 mineral resource update is anticipated in 2019.

GATLING EXPLORATION PROJECTS – LARDER LAKE, ONTARIO



On September 24, 2018, as part of the Arrangement, the Company received a 100% interest in the Larder Lake Project, located in Ontario. One claim includes a 1.5% NSR, of which 1% may be repurchased by the Company for $750,000.

The Larder Lake Property is located in northern Ontario, 35 km east of Kirkland Lake and 6 km west of Virginiatown. The property hosts the Bear, Cheminis and Fernland gold deposits that extend along 10 km of the Cadillac-Larder break between Kirkland Lake and Virginiatown. It is positioned 7 km west of the Kerr Addison Mine, which produced 11 million ounces of gold. All parts of the Larder Lake Property are accessible by truck or all-terrain vehicles on non-serviced roads and trails.

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below. Prior to September 24, 2018, the historical accounts of the Company were prepared on a carve-out basis from Bonterra, representing the historical operations of the Larder Lake Project since March 16, 2016 (the date of acquisition of the Larder Lake Project by Bonterra) and have been derived from Bonterra's historical accounting records.

For the Quarter Periods Ending	September 30, 2018 $	June 30, 2018 $	March 31, 2018 $	December 31, 2017 $
Loss for the period	(164,120)	(61,538)	(108,185)	(72,207)
Basic and diluted loss per share	(0.03)	(0.00)	(0.00)	(0.00)
Total assets	12,670,914	5,661,022	5,633,182	5,573,224
Total current liabilities	32,751	-	-	-

For the Quarter Periods Ending	September 30, 2017 $	June 30, 2017 $	March 31, 2017 $	December 31, 2016 $
Loss for the period	(37,790)	(149,302)	(59,902)	(38,653)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)
Total assets	5,486,974	5,486,271	5,481,545	4,703,544
Total current liabilities	-	-	-	-

OPERATIONS

During the three months ended September 30, 2018, the Company reported a net loss of $164,120 compared to a net loss of $37,790 for the three months ended September 30, 2017. Variations in expenses from the three months ended September 30, 2018 to 2017 were as follows:

- Consulting fees of $39,067 increased from $12,442 in 2017 as consultants were hired by Gatling after the acquisition fo the Larder Lake Project;
- Management and director fees of $15,800 (2017 - $3,300), professional fees of $14,629 (2017 - $2,936), shareholder coummincations and investor relations of $43,414 (2017 - $11,081) and travel of $8,247 (2017 - $2,437) were substantially all allocations of Bonterra's general and administrative expenses calculated on the basis of the ratio of time spent on the Larder Lake Project as compared to time spent on Bonterra's other exploration and evaluation assets; and
- Transfer agent and filing fees of $37,810 (2017 - $225) increased due to the costs of listing the Company on the TSX-V.

During the six months ended September 30, 2018, the Company reported a net loss of $225,658 compared to a net loss of $187,092 for the six months ended September 30, 2017. Variations in expenses from the six months ended September 30, 2018 to 2017 were as follows:

- Consulting fees of $54,386 increased from $25,715 in 2017 as consultants were hired by Gatling after the acquisition fo the Larder Lake Project;
- Management and director fees of $19,100 (2017 - $16,600), professional fees of $24,706 (2017 - $5,752), share-based payments of $nil (2017 - $86,036) shareholder coummincations and investor relations of 59,620 (2017 - $28,208) and travel of $18,923 (2017 - $10,514) were substantially all allocations of Bonterra's general and administrative expenses calculated on the basis of the ratio of time spent on the Larder Lake Project as compared to time spent on Bonterra's other exploration and evaluation assets; and
- Transfer agent and filing fees of $38,087 (2017 - $716) increased due to the costs of listing the Company on the TSX-V.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at September 30, 2018 was $6,829,762. The working capital was $6,844,461 at September 30, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

There was no key management compensation for the Company. These amounts of key management compensation represent the allocation of Bonterra's key management compensation on a pro rata basis.

		Six Months Ended September 30, 2018		Six Months Ended September 30, 2017
Management and director fees	$	19,100	$	16,600
Professional fees	$	5,250	$	2,000
Share-based payments	$	Nil	$	86,036

Included in accounts payable at September 30, 2018 was $8,789 (March 31, 2018 - $nil) for the recovery of shared expenses from a company with common management and directors.

EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to September 30, 2018, the Company granted 3,325,000 stock options to directors, officers and consultants at an exercise price of $0.21 and with a term to expiry of three years.

Subsequent to September 30, 2018, the Company issued 100,000 common shares on the exercise of 100,000 stock options for proceeds of $21,000.

Subsequent to September 30, 2018, the Company issued 10,444,333 flow-through common shares of the Company at a price of $0.30 per share for gross proceeds of $3,133,300.

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments at high credit quality financial institutions with terms to maturity selected with regard to the expected timing of expenditures from continuing operations. The Company's overall strategy remains unchanged from the prior year.

FINANCIAL INSTRUMENTS AND RISKS

As at September 30, 2018, the Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
Level 3 - Inputs that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

September 30, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 6,809,762	$ -	$ -	$ 6,809,762

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash and cash equivalents, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale, and cause fluctuations in the fair value or future cash flows for assets or liabilities classified as held-to-maturity, loans and receivables, and other financial liabilities. The Company is exposed to other price risk on its marketable securities. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2018 equal $32,751. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at September 30, 2018, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS

16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

OTHER INFORMATION

The Company had the following securities issued and outstanding:

	November 28, 2018	September 30, 2018	March 31, 2018
Common shares	43,970,845	33,426,512	-
Warrants	-	-	-
Stock options	3,225,000	-	-
Fully diluted shares	47,195,845	33,426,512	-