

EnerSpar Corp.
(Formerly Walmer Capital Corp.)
Management's Discussion and Analysis
For the Three and Nine Months ended September 30, 2018
Expressed in Canadian Dollars
Dated November 13, 2018

Major accomplishments;

- Receipt of detailed report on drilling and exploration on the Johan Beetz property

- Continued examination of additional business opportunities

The following **Management's Discussion and Analysis ("MD&A")** of the financial condition and results of operations of **EnerSpar Corp.** (formerly Walmer Capital Corp.) ("ENER", "EnerSpar" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2018.

This MD&A has been prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the audited annual financial statements and MD&A of the Company for the year ended December 31, 2017, together with the notes thereto dated April 30, 2018 and the unaudited financial statements of the Company for the three and nine month periods ended September 30, 2018 and the notes thereto dated November 13, 2018. All financial figures are in Canadian dollars.

Information contained herein is presented as at November 13, 2018, unless otherwise indicated.

This MD&A, except for historical information, may contain "forward-looking statements" that reflect EnerSpar's current expectations and projections about future results. When used in this MD&A, forward-looking statements can be identified by the use of words such as "estimate", "consider", "anticipate", "expect", "objective", "potential", "forecast", "believe", "project", "plan" and similar expressions or variations of such words. Forward-looking statements are, by their very nature, not guarantees of EnerSpar's future operational or financial performance and these statements may involve known and unknown risks,

uncertainties and other factors that may cause the actual level of activity, results, prospects and performance to differ materially from any future levels of activity, results, prospects and performance expressed in, or implied by, these forward-looking statements. Although EnerSpar believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing the future performance and actual results or developments may differ materially from those in the forward-looking statements and there are no guarantees that any of EnerSpar's projects will otherwise prove to be economic.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties referred to elsewhere in this MD&A, actual events may differ materially from current expectations. EnerSpar disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Description of Business

EnerSpar (formerly Walmer Capital Corp., originally a Capital Pool Corporation), acquired a 100% interest in the Johan Beetz Feldspar Property from Globex Mining Enterprises Inc. (the "Vendor") as its Qualifying Transaction (the "Transaction") in consideration of an initial payment of \$100,000, the issuance of 2,000,000 common shares at a deemed price of \$0.05 and a gross metal royalty of 2.5% payable to the Vendor.

The Johan Beetz Feldspar Property is now made up of Mining Claims 2432487, 2432488, 2461222, 2461223, 2499379, 251607, 251608 and 251609 (four claims having been added since the original acquisition), Johan Beetz/Iles de Mingan 03 township, Quebec, NTS 12L/07 Canada within the northeastern part of the Gulf of the St. Lawrence also known as the Cote Nord region of Quebec.

EnerSpar Corp. changed its name from Walmer Capital Corp. as of March 30, 2017 and became a Tier 2 mining issuer on the TSX Venture Exchange upon completion of the Transaction and satisfaction of the requirements of the Exchange as of that date.

EnerSpar paid a finder's fee in the amount of 400,000 common shares of ENER to the Property Finder, an arm's length party to EnerSpar, with respect to the Transaction.

EnerSpar is carrying on the business of exploring and developing the Johan Beetz Feldspar Property in accordance with the recommendations of the NI 43-101 compliant Technical Report prepared by Mr. Bill McGuinty P. Geo. Dated February 21, 2017 and filed March 22, 2017 on SEDAR which the reader is encouraged to review.

RESULTS OF OPERATIONS

General

This Management's Discussion and Analysis of Financial Condition and Results of Operations for EnerSpar Corp. is intended to supplement and complement the accompanying unaudited condensed interim financial statements and notes thereto for the nine month period ending September 30, 2018, which have been prepared by EnerSpar's management in accordance with International Financial Reporting Standards ("IFRS"). The MD&A should also be read in conjunction with EnerSpar's annual MD&A, filed April 30, 2018 on SEDAR. EnerSpar's independent auditor has not audited or performed a review of the condensed interim financial statements. This MD&A is dated November 13, 2018, the date on which the Company's Board of Directors approved it and the financial statements for filing on SEDAR. EnerSpar's public filings, 2017 Annual Report, and Information Circular can be viewed on the SEDAR website at www.sedar.com.

Major accomplishment;

- First phase exploration, mapping, sampling and assaying supervised by IOS Services Geoscientific completed on time and within budget with report received May 8, 2018 detailing results and providing recommendations for future work. A condensed version of the report has been posted on the Company's website www.enerspar.com.

- As announced previously, the proposed amalgamation with **2462344 Ontario Inc.**, operating as Blockstation, was terminated due to Blockstation's inability to fulfil certain requirements as set out in the December 7, 2017 Letter of Intent.
- Discussions continue with several principals proposing alternative transactions to the same end, several of which are being pursued vigorously by the Company as they present exciting opportunities for ENER shareholders

Results of Operations

EnerSpar identified and retained IOS Services Géoscientifiques Inc. (I.O.S.) a well qualified and highly regarded firm of geological consultants and mineral exploration contractors based in Chicoutimi Quebec. IOS completed the initial mapping and sampling program as recommended in the NI 43-101 compliant Technical Report prepared by Mr. Bill McGuinty P. Geo. which can be found on the Company's website.

IOS completed a drill program at the end of December, 2017 which allowed EnerSpar to fulfill its obligation to incur \$355,000 in qualifying resource expenditures pursuant to the provisions of its December, 2016 flow through private placements. More importantly, it enabled the Company to begin to confirm the historic non-43-101 results from the period when the property had been in production and intervening periods. It is gratifying to see that the initial drilling report, covering only one small area of the larger project, does tend to confirm the earlier non-compliant resource reports for this small area.

IOS issued its report, dated May 8, 2018, on the results of the 2017 mapping, sampling and assaying of 209 samples from the drill program completed December 31, 2017. The report, which has **not** been written in accordance with National Instrument 43-101 standards, does confirm historically reported grades of potassic and sodium feldspar and recommends that additional systematic drilling be undertaken to expand the drill pattern and complete a resource estimation.

It is recommended that EnerSpar employ a Rotary Air Blast (RAB) drill which, IOS suggests, should reduce drilling costs up to 60%. Planning is now going ahead for a much larger drill program intended to be conducted January/February 2019 with a view to assembling sufficient drill information for a preliminary resource estimate to be undertaken. IOS recommended that the company mount its drill program once the ground has frozen to minimize disturbance of low-lying areas.

As reported earlier, EnerSpar announced by way of a press release issued on December 7, 2017 that the Company and 2462344 Ontario Inc., operating as Blockstation, had entered into an arms-length letter of intent (LOI) whereby EnerSpar and Blockstation proposed to complete a business combination by way of three-cornered amalgamation and the spinout of the Company's mineral assets. The Company's shares were halted at that time by request of the Company pending completion of the proposed transaction.

On June 14, 2018 EnerSpar announced that, owing to the inability of Blockstation to meet certain conditions precedent as set out in the LOI, EnerSpar had terminated the proposed arrangement. The Company's shares resumed trading shortly thereafter.

Results of Operations

Operating expenses during the quarter of \$35,482 consisted primarily of management fees of \$20,000; legal and other professional fees of \$10,875; \$2,881 of (non-cash, impute) cost of option grant; \$1,518 of public company costs; and office expenses of \$208. There was no miscellaneous income during the quarter.

Operating expense for the nine month period of \$97,292 include, professional fees of \$64,000, investor relations of \$2,265, \$683 of office costs and \$13,588 of public company costs. Miscellaneous income of \$10,604 including \$26 of interest income (the balance being an over-recovery of HST taxes recoverable resulting from a former auditor's disagreement with the amount recovered being recorded in that earlier period) was recorded during the nine-month period.

The 2018 costs were broadly in line with those of 2017 except that there was no exploration undertaken in 2018 nor any property acquired, that investor relations expenses were considerably constrained in 2018 and the absence of printing costs this year.

The Company is expensing all costs relating to acquisition, exploration and development of the property in the period incurred. The Company is maintaining a detailed schedule by category of expense incurred on a cumulative basis and report such expenditures to the shareholders by way of a schedule and note attached to the annual MDA included in the annual report of the Company.

Selected Financial Information

The following selected financial data is derived from the financial statements of the Company prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards (“IFRS”).

Statement of Financial Position data as at:

	September 30, 2018	September 30, 2017
Cash	\$35,392	\$441,245
Recoverable sales tax	\$42,596	\$22,379
Current Liabilities	\$89,203	\$61,125
Flow through premium liability	\$ NIL	\$71,100
Shareholders’ Equity (Deficit)	(\$10,957)	\$229,700

Summary of Quarterly results

Historical quarterly information of the past most recent nine quarters.

	Sept.30, 2018	June 30 2018	Mar.31 2018	Dec.31 2017	Sept.30 2017	June30, 2017	Mar.31 2017	Dec.31 2016	Sept.30 2016
Revenue	Nil	Nil	28	576	288	216	464	Nil	Nil
Net loss	35,482	13,983	35,403	358,317	145,230	71,866	247,118	23,529	8,063
Loss per share	(0.002)	(0.001)	(0.001)	(0.015)	(0.006)	(0.003)	(0.010)	(0.010)	(0.000)

Liquidity and Capital Resources

An initial public offering (“Offering”) was completed by Walmer Capital Corp., the predecessor name of the Company, on May 3, 2012 whereby 3,000,000 Common shares were issued for net proceeds of \$255,000 (gross before expenses, \$300,000).

2,000,000 Founders shares were earlier issued at a value of \$0.05 per share. 1,000,000 of these shares were subsequently cancelled due to failure to complete a Qualifying Transaction within the prescribed 2-year period which resulted in there being 4,000,000 Common shares in issue at a deemed price of \$0.10 per Common share.

Directors’ and Officers’ incentive options totaling 500,000 Common shares were granted May 9, 2012 at an exercise price of \$0.10 per share., expiring May 9, 2022 and a further 125,000 incentive options exercisable at \$0.10 per share were granted on December 7, 2016 expiring December 7, 2021 and a further 1,250,000 incentive options at an exercise able price of \$0.05 per share were granted on April 2, 2017 expiring April 2, 2020. An additional 500,000 options were granted November 14, 2018 to Directors to acquire shares at a price of \$.055 for a period of 3 years.

The Company, by way of private placements and payment of related fees issued 17,360,000 Common shares and 6,861,000 warrants. 5,125,000 of the warrants entitle the holder to purchase 1 common share per warrant at \$0.10 per share expiring June 7, 2018. 711,000 of

the warrants entitle purchase of a share at \$0.05 and expire on June 12, 2018. 1,025,000 warrants entitle the purchase of a unit at \$0.05 until June 7, 2018, each unit consisting of one share and one-half warrant to acquire a further share at \$.10 until the same date.

All of the above warrants expired during the previous quarter unexercised.

Cash share issuance costs relating to the above transactions totaled \$86,900.

During the third quarter an additional 100,000 options were granted on August 15, 2018 to a new Director to acquire an equal number of shares at a price of \$.055 exercisable for a period of 3 years..

As at September 30, 2018 the Company had \$35,392 in cash and cash equivalents, \$42,596 in recoverable sales tax. and \$89,203 of current liabilities, which are primarily amounts due to geological consultants and other professional service providers.

Outlook

The business objective of the Company is the acquisition, exploration, development and production of industrial mineral resources from properties primarily in Canada.

The Company will require additional capital to pursue its business objective. There can be no assurance that the Company would be able to raise such additional capital if and when required on terms it considers acceptable. The Company is not subject to any capital requirements imposed by any regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.

As of September 30, 2018, the Company is in compliance with these requirements.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. During the current fiscal quarter, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. In view of the small size of the Company's management team and the absence of staff beyond that small team, the Company relies fundamentally on the personal involvement of two senior Officers in all transactions and their scrutiny of same.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the quarter covered by this Management's Discussion and Analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual Certification of Disclosure in Issuers' Annual and Interim Filings and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Timely Disclosure, Confidentiality and Insider Trading Policy

Management has adopted the policy to ensure that EnerSpar Corp.. and all persons to whom this Policy applies meet their obligations under the provisions of security laws and stock exchange rules by establishing a process for the timely disclosure of all Material Information.

(i) This policy covers disclosures in documents filed with the securities regulators and written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, presentations by Directors, Officers, Employees or Contractors and information contained on the Company's website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls and any other public disclosures on behalf of the Company, the content of which would reasonably be expected to affect the market value or price of any security of the Company.

(ii) all persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined therein):

(iii) all appropriate parties who have Undisclosed Material Information are prohibited from Insider Trading (as defined herein) and Tipping (as defined therein) under applicable law, stock exchange rules and this policy; and

(iv) communications to the investing public about the Company are timely, factual, accurate, complete and not misleading, and broadly disseminated in accordance with all applicable legal and regulatory requirements.

Proposed Transactions: Management is continuously examining potential acquisitions or options of additional properties as they are presented to the

Company. No such other transactions are presently pending. If the Company makes any commitments as a result of such transactions, it would be announced by way of a prompt press release.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements as at June 30, 2018.

Other:

Possible effects of climate change on the Company's operations.

The Company continues to examine the potential impact of climate change on the development of the Johan Beetz property which has direct access to the Gulf of St Lawrence. In that predicting precisely how the climate may change in this area is an inexact science at this time, the Company has determined that several scenarios could develop. If the climate becomes warmer and drier, access to the site may be easier and less expensive to develop as low-lying areas which can be wet may become drier thus more easily traversed. Conversely, if the climate were to become warmer and wetter with low lying areas becoming wetter access costs could increase due to additional access road construction.

If the winter season were to become shorter, the time for easy and inexpensive access to drilling sites across frozen ground could be reduced thus reducing the window of opportunity to easily and relatively inexpensively access drill sites.

If sea levels rise, as is being predicted, the Company would need to raise its load out dock to accommodate vessels as a result of the rising water level. Additionally, for every 1 centimetre of sea level rise, the minable depth of the proposed quarry would be reduced by a corresponding amount. The resource drilling was done to sea level (approx. 3100 centimetres of vertical depth) and flooding could result if the quarry floor were below sea level thus possibly reducing the volume of accessible mineral.

As we have stated in the past, EnerSpar's exploration plans and a plan for further engagement with First Nation contractors and personnel located in the area wherever possible, continue to develop.

Critical Accounting Policies and Estimates

Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Judgments made by management that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed below. The most significant judgments and estimates relate to, but are not limited to, the following:

- the assessment of the going concern presumption to the financial statements; and,
- the calculation of the fair value of share-based payments and equity settled transactions requiring the use of estimates of inputs in the Black-Scholes option pricing valuation model.

Valuation of equity instruments

The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued based on the fair value of the warrants using the Black-Scholes option pricing model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the residual fair value of the shares.

The proceeds from the issue of units are allocated between share capital and reserve for warrants. If and when the warrants are exercised, the applicable amounts of reserve for warrants are transferred to capital stock. Consideration paid on the exercise of the warrants is credited to capital stock.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the statement of comprehensive loss. The Company's cash, restricted cash and cash equivalents are classified as FVTPL.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as either FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's trade and other payables, flow through premium liability and financing proceeds when held in escrow are classified as other financial liabilities.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

Risks and Uncertainties

The Company has a limited history of existence. There can be no assurance that the Company will be able to obtain adequate financing to continue its exploration beyond the first-year program. The securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

The acquisition of a resource property exposes the Company to all of the inherent risks of activity in the resource world including fluctuating commodity and other resource prices, exploration risk, environmental risk, management risk, and potentially construction, financing, production, safety and other execution risks if the Company were to go beyond the exploration stage and seek to put a resource project into production.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Voting or equity securities:

Authorized:	Unlimited Common Shares Unlimited non-voting Preferred shares
Outstanding:	23,960,000 Common Shares.

Warrants:

The Company had broker and share purchase warrants totaling 6,861,000 expiring June 7 and June 12, 2018. These warrants expired unexercised.

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer by others within the Company in an accurate and timely manner in order for the Company to comply with its continuous disclosure and financial reporting obligations and in order to safeguard assets.

Other Information

Additional information about the Company is available on SEDAR at www.sedar.com as well as on the Company's website at www.enerspar.com.