



**STUHINI EXPLORATION LTD.
MANAGEMENT DISCUSSION AND
ANALYSIS FOR
THE SIX MONTHS ENDED
AUGUST 31, 2019**

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) of Stuhini Exploration Ltd. (the “Company” or “Stuhini”), has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, as of October 28, 2019, and should be read in conjunction with unaudited interim financial statements for the three and six months ended August 31, 2019 and 2018, and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the management. When used in this document, the words “*anticipate*”, “*believe*”, “*estimate*”, “*expect*” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or the Company’s achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

COMPANY OVERVIEW

Background

Stuhini is a Canadian mineral exploration company based in Vancouver, British Columbia and incorporated on July 7, 2017, under the Business Corporations Act (British Columbia). The Company’s head office and registered records office is located at 1245 West Broadway, Unit 105, Vancouver, BC V6H 1G7. On May 21, 2019, the Company’s common shares were listed on the TSX Venture Exchange under the symbol “STU”.

The Company is engaged in the acquisition and exploration of mineral properties and currently holds a 100% undivided interest in the Metla Property, comprised of seven contiguous mining claims covering approximately 6,457 hectares in the northwestern portion of British Columbia approximately 150 km south of the town of Atlin and 150 km west of the town of Dease Lake. The Company’s exploration program will be primarily focused on base and precious metals exploration. The Company does not have any assets or mineral properties that are in production.

Key Events for the Quarter Ended August 31, 2019, and up to the Date of this MD&A

Exercise of Options to Acquire Common Shares

During the month of July 2019 certain directors, officers and consultants of the Company exercised their options to purchase common shares of the Company at an exercise price of \$0.10 per Common Share. These options were originally granted on April 15, 2018, and had an expiry date of July 15, 2019. Pursuant to the exercises, the Company issued an aggregate of 410,000 common shares for total proceeds of \$41,000; 202,500 common shares purchased by certain officers and directors of the Company will remain subject to escrow and will be released at six-month intervals pursuant to the schedule determined by National Policy 46-201 *Escrow for Initial Public Offerings*.

Ruby Creek Property Option

On July 30, 2019, the Company entered into an option agreement (the "Agreement") with Global Drilling Solutions Inc. ("Global Drilling"), a private BC Company wholly owned by Barry Hanslit, who at the time of the signing of the Agreement was an insider of the Company by virtue of his holding of more than 10% of the Company's common stock. The Agreement granted the Company a right to acquire a 100% interest in Global Drilling's Ruby Creek Property (the "Ruby Creek Property"), located in north western British Columbia, Canada (the "Option").

Pursuant to the Agreement, to exercise the Option the Company is required to issue up to 7,300,000 common shares and make cash payments of up to \$1,060,000 over a four-year term. The only committed payment is the issuance of 800,000 shares at the Approval Date, being the date of acceptance of the Agreement by the disinterested shareholders of the Company and by the TSX Venture Exchange (the "Approval Date"). The remaining share issuances and the cash payments are at the Company's sole election should it wish to maintain the Option after year 1. Upon exercise of the Option, Global Drilling would be entitled to a 1% net smelter returns royalty on the Ruby Creek Property. In the event that disinterested shareholder and TSX-V approvals are not received within 120 days of the date of the execution of the Agreement, Global Drilling will be entitled to terminate the Agreement, in which event the Company will be obligated to pay Global Drilling a cancellation fee of \$60,000.

The Ruby Creek Property is 26,990 hectares in size, is road accessible and is located 20 kilometres from the nearby town of Atlin. There are 48 different documented mineral occurrences on the Property, of which 16 are gold-related, with 4 active gold placer creeks. The Ruby Creek Property also hosts the Ruby Creek Moly resource which, using a 0.04% Mo cut-off grade, has a historic measured mineral resource of 43.642 million tonnes at 0.078% Mo, an indicated mineral resource of 231.712 million tonnes grading 0.065% Mo, and an inferred mineral resource of 39.076 million tonnes at 0.062% Mo. The historic Ruby Creek Mo resource estimate was prepared by K. Palmer of Golder Associates in a report dated May 28, 2009, titled Ruby Creek Molybdenum Project in Northern British Columbia, Canada. The resource estimate was established using 338 drill holes with a combined length of approximately 69,200m and 21,651 assay samples. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource or mineral reserve. The Company has not verified the historical resource estimates and therefore is not treating nor relying on the historical estimates as a current mineral resource or mineral reserve. The Company currently does not plan to conduct any work to verify the historical resource estimate.

Stock Option Grant

On August 6, 2019, the Company granted stock options to directors, officers, employees and consultants to purchase an aggregate of 600,000 common shares of the Company at an exercise price of \$0.20 per share for a five-year term expiring August 6, 2024. The options vest in stages of 25% every three month such that all options will fully vest by August 6, 2020, subject to meeting the terms and conditions of the Company's Stock Option Plan.

Private Placement

On September 18, 2019, the Company closed its non-brokered private placement (the "Private Placement") by issuing a total of 2,500,000 common shares for gross proceeds of \$470,000. Eric Sprott, the Company's new strategic investor, subscribed for 1,000,000 common shares for gross proceeds of \$170,000. Remaining 1,500,000 common shares were issued at a price of \$0.20 per share. The common shares issued under the Private Placement are subject to a customary four-month hold period that expires on January 19, 2020. Certain directors, officers and other insiders of the Company purchased or acquired direction and control over a total of 250,000 common shares under the Private Placement. No finders' fees or commissions were paid in connection with the Private Placement.

METLA PROJECT

As of the date of this MD&A the Company's interest in exploration and evaluation assets consists of the Metla Property in British Columbia.

Acquisition of the Metla Property

On July 7, 2017, the Company entered into a Purchase and Sale Agreement (the “Metla Agreement”) with Barry Hanslit, the Company’s co-founder and former major shareholder, whereby Mr. Hanslit sold the Company a 100% undivided interest in the Metla Property along with all information, core samples, logs, data, documents, maps, and other documentation in exchange for 883,333 common shares at a deemed value of \$53,000.

Metla Property Acquisition and Exploration Costs

	August 31, 2019	February 28, 2019
Balance, beginning of period	\$ 395,064	\$ 158,612
Deferred exploration expenditures		
Camp and travel	31,568	61,939
Claim maintenance costs	255	-
Equipment use/rental	300	5,785
Exploration tax credit	(13,227)	-
Geology	6,336	168,728
Sub-total, deferred exploration expenditures	25,232	236,452
Balance, end of period	\$ 420,296	\$ 395,064

Property Location and General Description

The Metla Property is a gold-silver-base metal prospect located in the Chechilda Range of the Coast Mountains in northwestern British Columbia. It is approximately 150 km south of the town of Atlin, 150 km west of the town of Dease Lake and is adjacent and contiguous with Brixton’s Thorn Property and is approximately 20 km south-southeast and on trend with the Oban target located by Brixton Metals Corp. on its Thorn Property. Access is by helicopter from Atlin or Dease Lake. The Metla Property consists of seven contiguous mineral claims and covers an area of approximately 6,457 hectares. The Company retains a 100% interest in the claims comprising the Metla Property without being subject to any royalties, back-in rights or other similar obligations.

There are no known environmental liabilities on the Metla Property. BC’s reclamation laws aim to ensure that land, watercourses and cultural heritage resources are returned to a safe and environmentally sound state. A Mines Act permit (“Drill Permit”) is required for any work that disturbs the surface with mechanical equipment. Such a Drill Permit includes an approval of the exploration program and mine plan, a program for protection of the land and watercourses, and a reclamation program. Mining companies must also place a reclamation security (a “Bond”) with the Province of British Columbia to ensure reclamation obligations are kept. This Bond is only returned once the mine site has been reclaimed to a satisfactory level and there is no ongoing monitoring or maintenance requirements. During the year ended February 28, 2019, the Company received its Drill Permit which permits the Company to conduct all of its contemplated Phase 1 and Phase 2 exploration programs and paid the Bond, totalling \$42,000.

The current B.C. Mines Act requires an operator to advise and/or conduct consultations with First Nations persons or their representatives to inform them of mineral exploration activities that may take place on and impact lands that may have cultural and heritage significance to such persons. Although the Metla Property tenure holder has established good working relationships with the local Taku River Tlingit First Nation, and the Company has carried out sufficient consultation to satisfy the conditions required by the Act for the issuance of a Drill Permit, no formal consultations has taken place as of the date of this MD&A as the exploration program is still in an early stage and no major deposit has been identified.

Current Exploration Activities

In July 2019 the Company started its Phase I exploration program on the Metla Property. The Company hired Mr. Todd A. Ballantyne, P.Geo., of in3D Geoscience Inc. to interpret the data received from the airborne VTEM™ geophysical, survey which was conducted by Geotech Inc. in 2018. The data from the 2018 VTEM™ geophysical survey along with historical data was used to help guide the 2019 field program, which occurred in August of 2019. The purpose of the Phase I field program was to refine drill targets on the Metla Creek Zone and define potential new exploration targets.

In June 2019 the Company sent 36 rock samples collected during the 2018 field season to the Bureau Veritas analytical lab to be assayed. Highlights from the sampling are shown in the table below:

Target	Sample	Gold (g/t)	Silver (g/t)	Cu %	Pb %	Zn %	Mo ppm
MCA-Zn A	1999498	1.23	15.6	0.100	0.005	0.090	4.8
MCA-Zn A	1999499	3.76	9.4	0.041	0.018	0.022	1.0
MCA-Zn B	1892603	0.00	10.7	0.328	0.001	0.005	5.4
MCA-Zn B	1892604	2.18	8.4	0.039	0.004	0.003	1.4
MCA-Zn C	1999491	3.00	45.5	0.091	0.344	6.33	6.2
MCA-Zn C	1999492	9.96	10.5	0.043	0.007	4.97	3.9
MCA-Zn C	1999493	4.02	8.2	0.092	0.006	0.023	4.8
MCA-Zn D	1999494	7.31	10.2	0.067	0.027	0.214	12.2
MC-east	1892609	1.04	10.4	0.004	0.007	0.003	53.5
MC-east	1892619	0.25	1.4	0.050	0.003	0.001	24.9

Samples are anomalous in gold, silver, copper, lead, zinc, molybdenum, arsenic, cadmium, and mercury. Identified sulphides include chalcopyrite, bornite, sphalerite, galena and arsenopyrite. Highlights include 9 samples returning gold values greater than 0.25 g/t with a maximum of 9.96 g/t; 9 samples returning silver values greater than 8 g/t with a maximum of 45.5 g/t; 11 samples returning copper values greater than 300 ppm with a maximum of 3284 ppm. Assays of up to 3441 ppm lead and 6.33% zinc have also been reported.

The majority of samples in the Metla Creek Area consisted of hydrothermal breccia with a quartz-sulphide matrix and predominately limestone clasts or semi-massive to disseminated sulfides in quartz veins proximal to the brecciated zone. Samples from Zone B in the Metla Creek Area consisted of stratiform massive sulfides within black shale which extended towards Zone C. Sampling in the MC-east anomaly returned anomalous gold values from sulfide bearing, vuggy quartz boulders. Two samples assayed 1.04g/t and 0.25 g/t gold, respectively.

Metla Property Commitments

In British Columbia, mineral titles must be maintained in good standing with the Ministry of Energy, Mines and Petroleum Resources by timely performance and recording of physical work or by payment of cash in lieu of work. Work requirements are \$5.00 per hectare per year in years one and two, \$10.00 per hectare per year in years three and four, \$15.00 per hectare per year in years five and six, and \$20.00 per hectare per year thereafter. Payments in lieu of exploration and development work are double the value of the corresponding work requirement. The Metla Property consists of seven different mineral claims which were staked at different times so the work commitments for each claim vary. Based on the most recent assessment report filed by the Company on June 10, 2019, the Company recorded additional work on the Metla Property to the BC Ministry of Energy, Mines and Petroleum Resources that have extended the good standing on all of the Metla Property claims until April 20, 2022.

Qualified Person

Andrew L. Wilkins B.Sc., P.Geo., co-author of the Technical Report on the Metla Property, is the Qualified Person as defined by NI 43-101 and has approved all technical information contained herein.

SELECTED FINANCIAL INFORMATION

	Six months ended August 31, 2019	Year ended February 28, 2018
Net and comprehensive loss	\$ 139,577	\$ 179,313
Loss per share – basic and diluted	\$ 0.02	\$ 0.03
Total assets	\$ 1,017,817	\$ 492,694

RESULTS OF OPERATIONS

During the six-month period ended August 31, 2019, the Company recorded a net loss and comprehensive loss of \$139,577 as compared to net loss and comprehensive loss of \$51,312 for the six-month period ended August 31, 2018.

Increased operating activities, property investigation costs associated with the Ruby Creek Agreement, and listing of the Company's common shares on the TSX-V resulted in overall increases to the business expenses the Company incurred during the six-month period ended August 31, 2019, as opposed to the comparative period ended August 31, 2018. The largest expense items that contributed to the net loss were associated with project investigation costs of \$39,249, of which \$24,874 was associated with acquisition and legal costs incurred on the Ruby Creek Property, and \$28,350 in professional fees, which increased by \$7,147, from \$21,203 the Company incurred during the six-month period ended August 31, 2018. The increase in professional fees was associated with filing of prospectus and initial public offering ("IPO") which the Company closed on May 21, 2019, as well as accounting and year-end audit fees. In addition to project investigation costs and professional fees, the Company recorded \$12,841 in advertising and promotion fees, which increased by \$8,934, from \$3,907 the Company incurred during the six-month period ended August 31, 2018. The increase in advertising and promotion fees was associated with the Company exhibiting at PDAC, paying for the news release dissemination services and printing materials to be used in the Company's investor outreach programs. During the six-month period ended August 31, 2019, the Company recorded \$17,940 in regulatory fees, as opposed to the six months ended August 31, 2018, when the Company did not have any regulatory expenses. The current period's regulatory expenses were mostly associated with the fees payable for the Company's May 2019 IPO and fees payable for filing of the Company's annual financial statements and MD&A, as well as other regulatory filings the Company was required to make. Other notable expenses the Company incurred included \$13,665 in consulting fees billed by the Company's executive team, \$4,646 in travel, meals and entertainment expenses, again predominantly associated with the Company exhibiting at the Prospectors and Developers Association of Canada Conference in Toronto ("PDAC"), as well as \$15,923 in share-based compensation associated with vested portion of the options to acquire the Company's common shares.

SUMMARY OF QUARTERLY RESULTS

Results for the most recently completed financial quarters are summarized in the table below:

Period ended:	Net and comprehensive loss	Loss per share; basic and diluted
August 31, 2019	\$ 98,497	\$ 0.01
May 31, 2019	\$ 41,080	\$ 0.01
February 28, 2019	\$ 64,262	\$ 0.01
November 30, 2018	\$ 63,739	\$ 0.01
August 31, 2018	\$ 15,370	\$ 0.00
May 31, 2018	\$ 35,942	\$ 0.01
February 28, 2018	\$ 23,895	\$ 0.01
November 30, 2017	\$ 20,166	\$ 0.01

During the quarter ended August 31, 2019, the Company recorded a net loss of \$98,497. The largest expense item that contributed to the net loss related to \$38,539 the Company incurred in project investigation costs which were in part associated with the Agreement to acquire Ruby Creek Property, and in part with investigating other potential property acquisitions. During the same period the Company incurred \$13,447 in regulatory and filing fees associated with the filing

of the Company's year-end financial statements as well as other regulatory filing requirements, \$13,522 in share-based compensation associated with vested portion of the options to acquire the Company's common shares, \$12,761 in professional fees, \$4,167 in advertising and promotion expenses mainly associated with the cost of issuing news releases to fulfill regulatory and Exchange requirements and also to raise awareness about the Company and its operations. In addition, the Company recorded \$12,211 in consulting fees incurred with the Company's CEO and the Corporate Secretary, both of whose billable services commenced upon completion of the IPO.

During the quarter ended May 31, 2019, the Company recorded a net loss of \$41,080. The largest expense item that contributed to the net loss related to \$15,589 that the Company incurred in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$8,674 in advertising and promotion expenses mainly associated with the company exhibiting at PDAC, and \$4,493 in regulatory fees associated with filing of the Company's annual financial statements and MD&A as well as other regulatory disclosures.

During the quarter ended February 28, 2019, the Company recorded a net loss of \$64,262. The largest expense item that contributed to the net loss related to \$33,281 that the Company incurred in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$11,625 in regulatory fees for the filing of its preliminary prospectus and NI 43-101 technical report in connection with the IPO and \$16,557 in share-based compensation associated with an adjustment to the share-based compensation recorded on June 2018 options to acquire up to 400,000 shares of the Company's common stock.

During the quarter ended November 30, 2018, the Company recorded a net loss of \$63,739. The largest expense item that contributed to the net loss related to \$54,660 that the Company incurred in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$7,567 in regulatory fees, of which \$7,500 was associated with TSX-V initial listing fees.

During the quarter ended August 31, 2018, the Company recorded a net loss of \$15,370. The largest expense item that contributed to the net loss related to \$14,356 in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$162,491 in deferred exploration expenditures on its Metla Property.

During the quarter ended May 31, 2018, the Company recorded a net loss of \$35,942. The largest expense item that contributed to the net loss was share-based compensation expense totalling \$21,097 for options to acquire 490,000 common shares that the Company granted on April 15, 2018 to its officers and consultants. In addition, the Company incurred \$6,847 in professional fees associated with the IPO and TSX-V listing process. Travel, meals and entertainment expenses totalling \$3,949 and advertising and promotion expenses of \$3,907 (both expense categories being mainly associated with the Company exhibiting at PDAC) contributed to the net loss for the quarter ended May 31, 2018. During the same period, the Company incurred \$72,058 in deferred exploration expenditures on its Metla Property.

During the quarter ended February 28, 2018, the Company recorded a net loss of \$23,895. The largest expense items that contributed to the net loss were associated with \$12,000 the Company accrued for audit fees associated with the year-end audit of the Company's financial statements and \$7,485 in professional fees. In addition, the Company incurred \$3,000 in mineral exploration costs which were associated with costs not directly relating to the Metla Property. During the same time the Company incurred \$48,988 in deferred exploration expenditures on its Metla Property.

During the quarter ended November 30, 2017, the Company recorded a net loss of \$20,166, of which \$20,000 were associated with consulting fees the Company agreed to pay its Corporate Secretary for services provided. During the same time, the Company recorded \$53,000 in property acquisition costs associated with 883,333 common shares the Company issued to Mr. Hanslit at a deemed value of \$0.06 per share in exchange for 100% interest in the Metla Property. In addition, the Company incurred \$20,763 in deferred exploration expenditures on its Metla Property.

LIQUIDITY AND CAPITAL RESOURCES

	August 31, 2019	February 28, 2019
Working capital (deficiency)	\$ 440,445	\$ (167,530)
Deficit	\$ 366,161	\$ 226,584

As at August 31, 2019, the Company had \$536,970 in cash (February 28, 2019 - \$14,163), current assets of \$550,986 (February 28, 2019 - \$54,094) and current liabilities of \$110,541 (February 28, 2019 - \$221,624), with working capital of \$440,445 (February 28, 2019 - working capital deficiency of \$167,530). Other current assets consisted of GST receivable totalling \$9,897 (February 28, 2019 - \$18,326), and \$4,119 in prepaid expenses (February 28, 2019 - \$21,605).

During the six-month period ended August 31, 2019, the Company's operations were supported by \$676,860 the Company received on closing of its IPO, whereby the Company issued 4,083,000 common shares at \$0.20 per share, \$41,000 the Company received on exercise of options to acquire 410,000 common shares at \$0.10 per share, and \$42,000 on subscription to shares, which were issued subsequent to August 31, 2019. During the same period the Company decreased amounts owed to related parties for services and reimbursable expense by \$21,609 and repaid the First and the Second Bridge Loans the Company advanced from its CEO and the Corporate Secretary in its Fiscal 2019, which totaled \$113,688.

The Company did not generate sufficient cash flows from its operating activities to satisfy its cash requirements for the six-month period ended August 31, 2019. The cash that the Company has generated since its inception on July 7, 2017, to August 31, 2019, has been generated from the sale of the Company's common shares and from bridge loans from its related parties, which the Company repaid in June of 2019.

The Company's planned \$674,000 Metla exploration program consists of a \$229,000 Phase 1 Program followed by a \$445,000 Phase 2 Program. A portion of the Phase 1 Program was scheduled for the summer and fall of 2019 and the Company is planning on recommencing its Phase 1 Program during the summer/fall 2020 field season. In order to support the Company's general operating and administrative activities, the Company will require approximately \$150,700 per annum. Based upon the current plans, the Company has enough cash resources to support the Company's operations during the next 12 months. In order to proceed with the Company's Phase 2 exploration program, the Company will be required to raise additional financing, which may be done through any combination of equity or debt financing from the sale of the Company's securities, through private loans, or possible joint ventures. Although the Company has succeeded in raising funds as needed, this trend is not guaranteed to continue into the future. Many factors, including, but not limited to, a downturn of the economy or a significant decrease in the price of minerals, could affect the willingness of potential investors to invest in grass-roots exploration projects. If the Company is unable to generate sufficient cash flow as and when needed, the Company may be required to curtail, or even to cease, its operations.

TRANSACTIONS WITH RELATED PARTIES

During the six-month periods ended August 31, 2019 and 2018, the Company had the following transactions with related parties:

	Six months ended August 31,	
	2019	2018
Consulting fees paid or accrued to the Company's CEO	\$ 6,710	\$ -
Accounting fees paid or accrued to the Company's CFO	\$ 3,000	\$ 3,000
Consulting fees paid to the Company's Corporate Secretary	\$ 5,807	\$ -
Project management fees paid or accrued to an entity controlled by the common-law spouse of the Company's co-founder and majority shareholder	\$ 6,710	\$ -
Share-based compensation for options granted to directors and officers	\$ 12,153	\$ 13,129

Amounts due to related parties consist of amounts owed directly to the officers and directors of the Company for the professional services or for the expenses incurred on behalf of the Company. These amounts are unsecured, non-interest

bearing, and due on demand. At August 31, 2019, the amount payable to related parties was \$52,111 (February 28, 2019 - \$73,720), of which \$24,118 (February 28, 2019 - \$50,669) represented reimbursable expenses.

On September 14, 2018, the Company’s CEO advanced the Company \$50,000 under a loan agreement (the “First Bridge Loan”). The First Bridge Loan was unsecured, payable on demand, and accrued interest at 0.5% per month. During the six-month period ended August 31, 2019, the Company recorded \$888 in interest expense associated with the First Bridge Loan. The Company repaid the First Bridge Loan together with interest accrued up to February 28, 2019, on June 12, 2019. Remaining \$888 in interest accumulated on the First Bridge Loan accrued up to June 12, 2019, were repaid subsequent to August 31, 2019. The outstanding interest did not accrue additional interest and was included in the amount payable to related parties.

On January 23, 2019, the Company’s Corporate Secretary advanced the Company \$60,000 under a loan agreement (the “Second Bridge Loan”). The Second Bridge Loan was unsecured, payable on demand, and accrued interest at 0.5% per month. During the six-month period ended August 31, 2019, the Company recorded \$1,055 in interest expense associated with the Second Bridge Loan. The Company repaid the Second Bridge Loan together with interest accrued thereon on June 12, 2019.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the following securities were outstanding:

Type	Amount	Conditions
Common shares	12,693,000	Issued and outstanding
Stock options	380,000	Exercisable into 380,000 common shares at a price of \$0.20 per share expiring on May 21, 2021
Stock options	600,000	Exercisable into 600,000 common shares at a price of \$0.20 per share expiring on August 6, 2024. The options vest quarterly beginning on November 6, 2019, in equal portions of 150,000 shares per vesting date
Compensation options	230,840	Compensation options granted to the agent and members of its selling group as part of the IPO. The Options are exercisable into 230,840 common shares at \$0.20 per share expiring on May 21, 2021
	13,903,840	Total shares outstanding (fully diluted)

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published and are fully disclosed in Note 3 of the audited financial statements for the year ended February 28, 2019. Management is assessing the impact of these new standards on the Company’s accounting policies and financial statement presentation.

RISKS AND UNCERTAINTIES

The Company’s activity of natural resource exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks and uncertainties affecting the Company being the following in addition to other risks disclosed in this MD&A:

- Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;

- The Company expects to continue to incur losses from operations unless and until such time as any of its mineral properties enter into commercial production and generate sufficient revenues to fund its continuing operations;
- The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as and when required;
- Although the Company has taken steps to verify title to the mineral properties in which it has an interest, there is no guarantee that the property will not be subject to title disputes or undetected defects; and
- The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

FINANCIAL INSTRUMENTS

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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 fair value of cash and marketable securities is measured based on Level 1 inputs of the fair value hierarchy.

The estimated fair value of financial liabilities approximates their carrying values due to the short-term nature of these instruments.

Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to ensure future benefits to stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at the date of this MD&A, the Company does not have any debt that is subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, and market risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

- b) *Credit risk*
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, prepaid expenses and GST receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and other assets with high-credit quality financial institutions.
- c) *Market risk*
Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, interest rates, and commodity and equity prices.
- i. Currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.
- ii. Interest rate risk
The Company's exposure to interest rate risk arises from the interest rate impact on its cash. In order to maintain liquidity, the Company plans to invest its cash at floating rates of interest in cash equivalents. There is a minimal risk that the Company would recognize a loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash, restricted cash and reclamation bond as they are generally held with large financial institutions.
- iii. Price risk
Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is not exposed to equity price risk.

CONTINGENCIES

The Company has no contingent liabilities.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com.