



**STUHINI EXPLORATION LTD.
MANAGEMENT DISCUSSION AND
ANALYSIS FOR
THE NINE MONTHS ENDED
NOVEMBER 30, 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 January 29, 2020, and should be read in conjunction with unaudited interim financial statements for the three and nine months ended November 30, 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 north western British Columbia approximately 150 km south of the town of Atlin and 150 km west of the town of Dease Lake. In addition, the Company holds an option to acquire a 100% interest in the Ruby Creek Property located in north western British Columbia. The Ruby Creek Property is approximately 26,735 hectares and is located 20 kilometres from Atlin. 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 November 30, 2019, and up to the Date of this MD&A

Ruby Creek Property Option

On July 30, 2019, the Company entered into an option agreement (the "Option Agreement") with Global Drilling Solutions Inc. ("Global Drilling"), a private BC Company wholly owned by Barry Hanslit, the Company’s major shareholder. The Option 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 (the "Option"). The Option Agreement was conditional on approval by the disinterested shareholders of the Company, which was received at the annual general meeting (the

“AGM”) of the Company held on November 28, 2019, and by the TSX Venture Exchange (the “Exchange”), which was received on December 31, 2019 (the “Approval Date”).

Pursuant to the Option Agreement, in order to exercise the Option the Company is required to issue a total of 7,300,000 common shares and make cash payments of \$1,060,000 over a four-year term. On the Approval Date, the Company issued the initial 800,000 shares of the Company’s Common Stock. 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.

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 at \$0.17 per share for gross proceeds of \$170,000. The remaining 1,500,000 common shares were issued at a price of \$0.20 per share. The common shares issued under the Private Placement were subject to a customary four-month hold period that expired 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.

Flow-Through Private Placement

On December 20, 2019, the Company completed its non-brokered flow-through private placement by issuing a total of 1,400,000 common shares that qualify as flow-through shares for the purposes of the Income Tax Act (Canada) (the "Flow-Through Shares") at \$0.22 per Flow-Through Share for aggregate gross proceeds of \$308,000 (the "Flow-Through Offering"). The Flow-Through Shares are subject to a hold period that expires on April 21, 2020. David O'Brien, CEO and a director of the Company, acquired 50,000 Flow-Through Shares under the Flow-Through Offering.

The gross proceeds from the Flow-Through Offering will be used to incur "Canadian exploration expenses" which qualify as flow-through mining expenditures ("Qualifying Expenditures") to fund the Phase I exploration program of \$250,000 on the Ruby Creek Property.

METLA PROJECT

As of the date of this MD&A the Company's interests in exploration and evaluation assets consist of the Metla Property and an Option to acquire 100% interest in the Ruby Creek Property.

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 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

	November 30, 2019	February 28, 2019
Balance, beginning of period	\$ 395,064	\$ 158,612
Deferred exploration expenditures		
Camp and travel	35,041	61,939
Claim maintenance costs	255	-
Equipment use/rental	300	5,785
Exploration tax credit	(13,227)	-
Geology	31,481	168,728
Sub-total, deferred exploration expenditures	53,850	236,452
Balance, end of period	\$ 448,914	\$ 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 Metals Corp.'s Thorn Property and is approximately 20 km south-southeast and on trend with the Oban target located by Brixton 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 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

Target	Sample	Gold (g/t)	Silver (g/t)	Cu %	Pb %	Zn %	Mo ppm
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.

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.

The 2019 field program on the Metla Property consisted of 12 man-days on site during which time existing drill targets in zones A, B & C were reviewed and 15 rock samples were collected from a new zone in recently deglaciated terrain proximal to the eastern VTEM anomaly identified in the 2018 survey. Rock samples were primarily diorite with chloritic and sodic alteration, variable quartz veining and trace to 5% sulfide concentrations comprising pyrite +/- chalcopyrite +/- bornite and +/- malachite.

Nine samples, which constitute 60% of the sampled material, returned assays greater than 0.1 g/t gold (Au). These samples span an area 750 meters in length. Of particular note was sample ALW19-004 of bornite and chalcopyrite bearing quartz/potassium feldspar veins hosted within diorite, which assayed at 1.82g/t Au, 4.66% Cu, 31 g/t Ag and 0.3g/t Pd. Four of the samples collected returned copper values greater than 0.5%. Notably sample ALW19-004, mentioned above, containing 4.66% Cu and sample #1893129, 300 m to the south and with similar lithology, contained 1.67% Cu.

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 varies. 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.

RUBY CREEK PROJECT

On July 30, 2019, the Company entered into the Option Agreement with Global Drilling whereby the Company was granted a right to acquire a 100% interest in the Ruby Creek Property. The Option Agreement was conditional on approval by the disinterested shareholders of Stuhini Exploration Ltd., which was received at the November 28, 2019, AGM, and by the Exchange, which was received on December 31, 2019.

Based on the Option Agreement, to fully exercise its Option, the Company is required to issue a total of 7,300,000 common shares of the Company's common stock and make cash payments of \$1,060,000 over a four-year term. Upon exercise of the Option, Global Drilling would be entitled to a 1% net smelter returns royalty on the Ruby Creek Property.

The following table shows the continuity of the Option payments:

Date	Shares	Cash Payment
December 31, 2019 (shares issued)	800,000	\$ -
December 31, 2020	1,250,000	-
December 31, 2021	1,750,000	120,000
December 31, 2022	1,750,000	300,000
December 31, 2023	1,750,000	640,000
Total	7,300,000	\$ 1,060,000

Property Location and General Description

The Ruby Creek Property is 26,735 hectares in size, located within the Atlin Mining Division, 20 kilometres from Atlin, and is road accessible. The Ruby Creek Property consists of 49 contiguous mineral claims of which one is a mining lease. There are 48 different documented mineral occurrences on the Property, of which 16 are gold-related, with five gold placer creeks, 4 of which were still actively being mined as during the summer 2019. Stuhini does not own or have an option on the placer rights for these placer streams on the tenures since in BC placer rights are a different tenure than hard rock mineral right. However, Stuhini does have the hard rock rights which would be relevant should bedrock lode-gold or other minerals be discovered under the existing placer creeks or elsewhere on the Ruby Creek Property. 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.

On November 7, 2019, the Company filed a National Instrument 43-101 Technical Report entitled: "Technical Report on the Ruby Creek Project within the Atlin Gold camp British Columbia Canada". The Technical Report outlined a 2-stage exploration program for the Ruby Creek Property budgeted at \$750,000; the Company is planning to commence Stage 1 of the proposed program, budgeted at \$250,000, as part of its 2020 exploration season.

Current Exploration Activities

As part of the Company's 2019 summer work program the Company conducted a due-diligence limited reconnaissance sampling program on the Ruby Creek Property. A total of 75 surface rock samples and eight surface soil samples were taken from the four distinct areas over the course of the program.

Pit North

The Pit North area is located immediately north of the proposed historic pit for the Adanac molybdenum deposit. Mineralization appears to be related to a shear zone that coincides with a creek valley northeast of Moly Lake, where 20 rock and two soil samples were taken. Sulfide bearing quartz veins, silicified mineralized breccia as well as mineralized diorite and granite was sampled within a 450m x 250m area. The two soil samples were anomalous in copper, lead, zinc and silver.

Highlights from the sampling are shown in the table below:

Sample Number	Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
1893071	0.51	808	0.14%	2.59%	0.95%
1893072	0.47	102	0.05%	1.05%	1.32%
1893073	0.21	52	0.03%	0.67%	1.27%
1893076	3.53	98	0.23%	1.82%	6.37%
1893077	2.27	1172	0.15%	>10.00%	5.10%
1893078	2.40	161	0.41%	3.40%	0.92%
1893080	0.13	150	0.04%	2.00%	0.15%
1893081	2.49	95	0.04%	0.66%	0.36%
1893118	5.32	45	0.05%	0.13%	0.00%
1893119	4.05	356	0.45%	2.75%	2.16%

Of the 20 samples, 13 assayed greater than 0.1 g/t gold and six greater than 2 g/t gold. Sample 1893119 was described as comprised of 40% sulfide including galena, arsenopyrite, chalcopyrite and wolframite in an extensional quartz vein. The sample ran 4.0 g/t gold as well as 356 g/t silver and 0.45% copper. Proximal float sample 1893118 returned assayed values of 5.32 g/t gold.

All but one sample assayed greater than 1 g/t silver of which eight assayed greater than 90 g/t silver. Sample 1893077 assayed 1,172 g/t silver and was described as a fine grained greyish white laminated quartz boulder with galena, pyrite and chalcopyrite. This sample also assayed 2.27 g/t gold, 0.15% copper, over 10% lead and 5.10% zinc. Another significant silver sample was 1893071, a gossanous quartz sulfide breccia in granite boulder which was host to galena, arsenopyrite, sphalerite and tetrahedrite and returned assays of 808 g/t silver as well as 0.14% copper and 2.59% lead.

Copper was also anomalous with 18 of 20 samples assaying greater than 100 ppm copper and five samples greater than 0.1% copper including two samples of 0.4% copper. Sample 1893079 was a random composite sample of 20-80 cm quartz vein in outcrop with banded euhedral quartz and sulfides including pyrite, galena, sphalerite and possible arsenopyrite.

Ruby East

Nineteen (19) rock samples were collected from the topographic high immediately north of Cracker Creek and east of Ruby Creek proximal to the Pato 2 and Daybreak “Wrigglite” showings. Most of the area is covered with sub-cropping scree. Samples were of the scree and returned anomalous gold assays with six samples greater than 0.1 g/t gold. Sample 1893155, a quartz vein hosted in a coarse grained quartz monzonite boulder, assayed 7.5 g/t gold.

Silver was also moderately anomalous in the area with 12 samples greater than 1 g/t. Sample 1893053, a light green and grey skarn boulder with quartz veining, ran 477 g/t of silver, 1.6 g/t gold and 0.10% copper. Eight (8) samples assayed greater than 100 ppm copper, five of which were greater than 0.1% copper up to 0.7% in sample.

Boulder/Birch Ridge

Eighteen (18) samples were collected from the ridge between Birch and Boulder Creek proximal to the Lakeview showing. Samples were a mix of quartz veins, silicified breccia and altered granite. These samples returned assays with moderate gold and silver values with four samples assaying greater than 0.1 g/t gold and seven samples greater than 1 g/t silver. Sample 1893114 assayed 0.9 g/t gold and 17 g/t silver. Sample 1893109 assayed 0.7 g/t gold and 17 g/t silver. Both samples were described as being rusty box-work weathered quartz veins hosted in Cache Creek terrane.

Western Ruby

In the western part of the property, six soil samples were collected in overburden using a 6-inch carbide tipped auger mounted on a Caterpillar skid steer loader. Samples were taken from the soil/bedrock interface. One sample assayed 0.28 g/t gold and 1.8 g/t silver.

Ruby Creek Property Commitments

The Ruby Creek Property consists of 48 mineral claims which were staked at different times resulting in different work commitments for each claim. As of the date of the filing of this MD&A, the mineral claims that comprise the Ruby Creek Property are in good standing until February 28, 2021. Based on the date the claims were staked and their respective sizes, the total annual work commitment for Ruby Creek Property is approximately \$332,924.

In addition to the work commitments required on the mineral claims, the mineral lease included as part of the Ruby Creek Property is subject to an annual flat fee lease payment of \$50,000 with no work requirement. The lease payment is due on or before March 27, 2020.

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

	Nine months ended November 30, 2019	Year ended February 28, 2018
Net and comprehensive loss	\$ 298,108	\$ 179,313
Loss per share – basic and diluted	\$ 0.03	\$ 0.03
Total assets	\$ 1,273,757	\$ 492,694

RESULTS OF OPERATIONS

During the nine-month period ended November 30, 2019, the Company recorded a net loss and comprehensive loss of \$298,108 as compared to net loss and comprehensive loss of \$115,051 for the nine-month period ended November 30, 2018.

Increased operating activities, property investigation costs associated with the Option 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 nine-month period ended November 30, 2019, as opposed to the comparative period ended November 30, 2018.

The largest expense items that contributed to the net loss were associated with project investigation costs of \$78,958, of which \$52,583 was associated with acquisition and legal costs incurred on the Ruby Creek Property, professional fees of \$78,366, which increased by \$2,503, from \$75,863 the Company incurred during the nine-month period ended November 30, 2018. The incurred professional fees were associated with legal fees for filing of prospectus, initial public offering ("IPO") which the Company closed on May 21, 2019, and the AGM, as well as accounting and audit fees. In addition to project investigation costs and professional fees, the Company recorded \$30,619 in consulting fees for services provided to the Company by its CEO, Corporate Secretary, and external consultants, \$15,611 in advertising and promotion fees, which increased by \$11,704, from \$3,907 the Company incurred during the nine-month period ended November 30, 2018. The increase in advertising and promotion fees was associated with the Company exhibiting at the Prospectors and Developers Association of Canada Conference in Toronto ("PDAC"), paying for the news release dissemination services and printing materials to be used in the Company's investor outreach programs.

During the nine-month period ended November 30, 2019, the Company recorded \$25,389 in regulatory fees, a \$17,822 increase as compared to \$7,567 the Company incurred in regulatory fees during the nine-month period ended November 30, 2018. 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 \$4,833 in travel, meals and entertainment expenses, again predominantly associated with the Company exhibiting at PDAC, as well as \$55,667 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
November 30, 2019	\$ 158,531	\$ 0.01
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

During the quarter ended November 30, 2019, the Company recorded a net loss of \$158,531. The largest expense items that contributed to the net loss related to \$50,016 the Company incurred in professional fees, \$39,744 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors and consultants to acquire up to 600,000 shares of the Company's common stock, and \$39,709 the Company incurred in project investigation costs which were in part associated with the Option Agreement to acquire the Ruby Creek Property, and in part with investigating other potential property acquisitions. During the same period the Company incurred \$16,954 in consulting fees, of which \$10,954 were incurred with the Company's CEO and the Corporate Secretary, both of whose billable services commenced upon completion of the IPO; \$7,449 in regulatory and filing fees, \$2,770 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.

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 Option Agreement to acquire the 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.

LIQUIDITY AND CAPITAL RESOURCES

	November 30, 2019	February 28, 2019
Working capital (deficiency)	\$ 694,885	\$ (167,530)
Deficit	\$ 524,692	\$ 226,584

As at November 30, 2019, the Company had \$755,261 in cash (February 28, 2019 - \$14,163), current assets of \$781,806 (February 28, 2019 - \$54,094) and current liabilities of \$86,921 (February 28, 2019 - \$221,624), with working capital of \$694,885 (February 28, 2019 - working capital deficiency of \$167,530). Other current assets consisted of GST receivable totalling \$17,587 (February 28, 2019 - \$18,326), and \$8,958 in prepaid expenses (February 28, 2019 - \$21,605).

During the nine-month period ended November 30, 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, \$440,347 the Company received from its September Private Placement, whereby the Company issued 1,500,000 common shares at \$0.20 per share, and 1,000,000 shares issued to the Company's strategic investor at \$0.17 per share, and \$41,000 the Company received on exercise of options to acquire 410,000 common shares at \$0.10 per share. During the same period the Company decreased amounts owed to related parties for services and reimbursable expense by \$39,134 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 nine-month period ended November 30, 2019. The cash that the Company has generated since its inception on July 7, 2017, to November 30, 2019, has been generated from the sales 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; in addition, the Company plans to spend up to \$250,000 on Phase 1 exploration program on the Ruby Creek Property. A portion of the Metla 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 and to carry out Phase I exploration programs on both Metla and Ruby Creek Properties. In order to proceed with the Company's Phase 2 exploration program on the Metla Property, 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 nine-month periods ended November 30, 2019 and 2018, the Company had the following transactions with related parties:

	Nine months ended November 30,	
	2019	2018
Consulting fees paid or accrued to the Company's CEO	\$ 12,710	\$ -
Accounting fees paid or accrued to the Company's CFO	\$ 4,500	\$ 4,500
Consulting fees paid to the Company's Corporate Secretary	\$ 10,671	\$ -
Project management fees paid or accrued to an entity controlled by the common-law spouse of the Company's co-founder and majority shareholder	\$ 12,710	\$ 10,860
Share-based compensation for options granted to directors and officers	\$ 45,380	\$ 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 November 30, 2019, the amount payable to related parties was \$34,586 (February 28, 2019 - \$73,720), of which \$13,267 (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 November 30, 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 during the quarter ended November 30, 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 November 30, 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	14,893,000	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
	16,103,840	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.