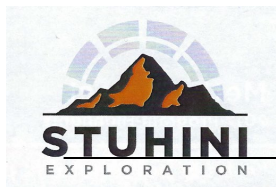


**STUHINI EXPLORATION LTD.  
MANAGEMENT DISCUSSION AND  
ANALYSIS FOR  
THE YEAR ENDED  
FEBRUARY 28, 2019**



## 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 June 28, 2019, and should be read in conjunction with audited financial statements for year ended February 28, 2019, 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 105-1245 West Broadway, Vancouver, BC Canada, V6H 1G7.

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 Year Ended February 28, 2019

#### Seed Financing

In March 2018, the Company completed the final tranche of its \$300,000 seed round private placement financing (the “Seed Financing”) by raising \$64,600 through the issuance of 646,000 Common Shares at a price of \$0.10 per share.

#### Grant of Stock Options

On April 15, 2018, the Company granted options to acquire 490,000 Common Shares of the Company to its officers and consultants. The options are exercisable for a period expiring on July 15, 2019, at \$0.10 per share.

On June 15, 2018, the Company resolved to grant to the officers, directors and consultants of the Company options to acquire up to 400,000 Common Shares subject to successful closing of an initial public offering (“IPO”) of at least 4,000,000 Common Shares. Following the completion of the Company’s IPO on May 21, 2019, the Company confirmed,



on June 14, 2019, the grant of options to acquire 380,000 Common Shares at an exercise price of \$0.20 per share until May 21, 2021.

#### Appointments of Directors

On June 28, 2018, the shareholders of the Company appointed Kazuki Nohdomi, Josef Anthony (Tony) Fogarassy, Gary Thompson and Fiore Aliperti to the board of directors bringing the total number of directors, with David O'Brien, to five. On the same date, the board of directors formed two committees, namely, the Audit Committee, as well as the Corporate Governance and Compensation Committee to assist the board of directors to fulfill its oversight responsibilities with respect to corporate governance in general and, specifically, to ensure that the requirements for the board of directors and its activities conform to the Company's corporate governance policy and the requirements of applicable law and all relevant regulatory bodies.

The following table shows the members of the Company's board-appointed Committees:

<b>Audit Committee</b>	<b>Corporate Governance and Compensation Committee</b>
Tony Fogarassy (Chair)	Kazuki Nohdomi (Chair)
Kazuki Nohdomi	Tony Fogarassy
David O'Brien	Fiore Aliperti

#### Bridge Financing

On September 14, 2018, the Company borrowed \$50,000 from its President, Chief Executive Officer and Director (the "First Bridge Loan"). The First Bridge Loan accrued interest at 0.5% per month compounded monthly, was unsecured and payable on demand.

On January 23, 2019, the Company borrowed \$60,000 from its Corporate Secretary (the "Second Bridge Loan"). The Second Bridge Loan accrued interest at 0.5% per month compounded monthly, was unsecured and payable on demand.

The Company repaid the First Bridge Loan and the Second Bridge Loan together with interest accrued thereon on June 12, 2019.

#### Initial Public Offering

On June 12, 2018, the Company signed an engagement letter (the "Engagement Letter") with Haywood Securities Inc. (the "Agent") to act as lead manager and sole bookrunner in connection with the then proposed IPO of the Company and concurrent listing of the Common Shares of the Company on the TSX-V. The Agent agreed, on a commercially reasonable efforts agency basis, to market 4,000,000 Common Shares of the Company at a price of \$0.20 per Common Share for gross proceeds of \$800,000. The Company agreed to pay the Agent a cash commission equal to 8% of the gross proceeds for any Common Shares sold except those Common Shares sold pursuant to a list of purchasers provided to the Agent by the Company (the "President's List"), on which the Agent agreed to receive a cash commission of 4% of the gross proceeds. The Company further agreed to issue to the Agent Compensation Options on the IPO closing date entitling the Agent to purchase that number of Common Shares equal to 8% of the aggregate number of Common Shares sold by the Company under the IPO except those Common Shares sold pursuant to the President's List on which the Company agreed to grant to the Agent Compensation Options to purchase up to 4% of the aggregate number of Common Shares sold by the Company under the IPO pursuant to the President's List.

In connection with the Company's IPO, the Company entered into a definitive agency agreement dated February 15, 2019 with the Agent (the "Agency Agreement") which included the grant to the Agent of a 15% over-allotment option. On the closing the IPO on May 21, 2019, the Company issued a total of 4,083,000 Common Shares at a price of \$0.20 per Common Share for gross proceeds of \$816,600 (which included the Agent's partial exercise of the over-allotment option). Pursuant to the Agency Agreement, the Agent received a cash commission totalling \$46,168 and non-transferable Compensation Options entitling the Agent and members of its selling group to purchase 230,840 Common Shares at \$0.20



per Common Share until May 21, 2021. In addition, the Company paid the Agent a corporate finance fee of \$20,000 and reimbursed the Agent \$34,661 for other legal and regulatory costs associated with the IPO.

The Company is planning to use the net proceeds of the IPO (after deduction of the Agent's commission and expenses of the IPO and the Company's then working capital deficit) to fund its Phase 1 exploratory work program on the Metla Property, as well as to pay the expenses of the IPO, to support its general and administrative costs over the next twelve months, and to identify and evaluate potential acquisitions.

The Common Shares were listed on the TSX Venture Exchange (the "TSX-V" or the "Exchange") on May 21, 2019 and then commenced trading on the Exchange on May 23, 2019 under the trading symbol "STU".

## **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 "Agreement") with Barry Hanslit, the Company's co-founder, 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**

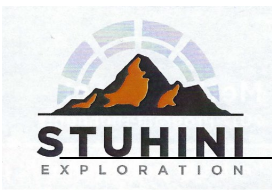
	<b>February 28, 2019</b>	<b>February 28, 2018</b>
Balance, beginning of period	\$ 158,612	\$ -
Shares issued for the Metla Property	-	53,000
Deferred exploration expenditures		
Assaying	-	5,177
Camp and travel	61,939	7,627
Equipment use / rental	5,785	45,540
Geology	168,728	47,268
Sub-total, deferred exploration expenditures	236,452	
Balance, end of period	\$ 395,064	\$ 158,612

### **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 town of Atlin and 150 km west of the town of Dease Lake. 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 will include 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 to ensure reclamation obligations are kept. This security 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.

### **Exploration Activities in Fiscal 2018**

During the summer of 2017, the Company conducted a small exploration project with the intent of evaluating the historic work on the property and to design an exploration program for the property going forward. A total of 32 field man-days were spent on the Metla Property claims.

Prospecting and mapping traverses were conducted throughout the Metla Property. The main showings in the Metla Creek Area were also revisited. A total of 156 rock grab samples were collected. Results confirmed the presence of multi-element Au-Ag-Cu-Pb-Zn-As mineralization as noted in previous exploration programs, however no chip or channel samples were collected so assay values do not represent any true widths of mineralization.

Rock samples from the Metla Property claims were submitted to Bureau Veritas Mineral Laboratories Ltd. ("Bureau Veritas") in Vancouver, B.C. for 53 element analyses by Aqua Regia digestion and ultra-trace induced coupled plasma mass spectrometer (ICP/MS) methods. Overlimits were analysed by 4 acid digest and induced coupled plasma emission spectrometry (ICP/ES) methods. Bureau Veritas is an ISO 9001-certified facility that is independent of the issuer.

A total of 4.6 kilometres of ground magnetics was also conducted during this time using a GEM systems GSM 19GW – walking gradiometer. The magnetic highs match mapped diorite and more complete coverage would help in the mapping and targeting of the Metla Creek Zones.

### **Exploration Activities in Fiscal 2019**

In the spring of 2018, the Company contracted Geotech Ltd. to fly a Helicopter-borne VTEM<sup>TM</sup> and Aeromagnetic Survey. The survey consisted of 419 line kilometers covering an area of 76 km<sup>2</sup>. Geotech geophysicists recognized one anomalous zone observed in the electromagnetic profiles. The zone is approximately 1,500 metres wide by 5,000 metres long and is oriented in a NW-SE direction. As of the date of this MD&A, a formal interpretation of the data has not been finalized. To commence this review, the Company has engaged a geophysicist at in3D Geoscience Inc. Following an initial geophysical interpretation, the Company plans to follow up with a more detailed geophysical analysis, followed by a field program anticipated for the summer of 2019.

To facilitate the future exploratory work and to reduce helicopter costs, in August 2018, the Company constructed a five-unit base camp on the meadow above Metla Creek. At the same time, the Company conducted a small reconnaissance sampling program on the Metla Property and did a 1:2,000 scale mapping over the proposed drill hole areas. A total of 36 samples were collected, which were analyzed by Bureau Veritas in June of 2019. The results of the analysis were received by the Company on June 21, 2019 and, as of the date of this MD&A, are being reviewed, compiled and analysed by the Company prior to being released.

### **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 claims 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.



## Plans for the Metla Project

During the year ended February 28, 2019, the Company was setting up the infrastructure required to support its exploration program and successfully completed the construction of a seasonal camp at the Metla Property (“Metla Camp”).

During the Summer/Fall of 2019 the Company is planning to complete a portion of the major objectives of Phase 1 of its exploration program as follows:

1. Interpret the data acquired during the 2018 Airborne Variable Time Domain Electromagnetic (VTEM™), and build a Maxwell Plate model based on the interpretation.
2. Complete 1:10,000 mapping of the Metla Property with a focus on alteration and structure.
3. Complete more detailed 1:2,000 and 1:500 scale mapping of selected target areas and airborne geophysical anomalies.

In addition to the above objectives, the Company has organized a 10 -day field program for August 2019, which was reduced from the expected 17-day program due to uncertainty in having sufficient funds available when commitments to engage the required field geologists had to be made. This program could be further reduced if bad weather or extreme forest fire risk are encountered. The Company anticipates the current year’s portion of the Phase 1 exploration program to be approximately \$100,000.

Once Phase 1 is completed and further financing is available, the Company will be able to proceed to Phase 2 of the program as specified in the Technical Report on the Metla Property dated October 20, 2018 (the “Technical Report”), prepared in accordance with the requirements of National Instrument 43-101-Standards of Disclosure for Mineral Projects (“NI 43-101”) which the Company filed on SEDAR on February 20, 2019:

1. Drilling of identified geological and geophysical targets.
2. Continued property wide prospecting.

Current logistics involve the following:

1. Completing the establishment of the Metla Camp which is located in the meadow above Metla Creek.
2. Mobilizing equipment by plane to the airstrip located on the Sutlahine River 30 kilometres to the northwest and then by helicopter to the Metla Camp.
3. To reduce costs, groceries and personnel may be mobilized by float plane to Trapper Lake and then by helicopter to the Metla Camp.

The proposed budget for the Phase 1 and Phase 2 exploration programs is shown in the table below.

<b>2018/19 Phase 1 – VTEM™ Interpretation and Geological Mapping</b>	<b>Estimated Cost</b>
Complete Camp Setup	\$15,000
VTEM™ Interpretation	20,000
Geological Crew	51,000
Helicopter Support	102,000
Fixed Wing Support	16,000
Camp Costs	20,400
Assays	4,500
<b>Total Phase 1 Estimated Costs</b>	<b>228,900</b>



<b>2019/20 Phase 2 – Drilling</b>	<b>Estimated Cost</b>
Drilling	150,000
Geological Crew	50,000
Helicopter Support	150,000
Fixed Wing Support	28,000
Camp Costs	45,000
Assays	22,500
Total Phase 2 Estimated Costs	445,500
<b>Total Estimated Costs of the Exploration Program</b>	<b>\$674,400</b>

### Qualified Person

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

### SELECTED ANNUAL INFORMATION

	<b>February 28, 2019</b>	<b>February 28, 2018</b>
Net and comprehensive loss	\$ 179,313	\$ 47,271
Loss per share – basic and diluted	\$ 0.03	\$ 0.02
Total assets	\$ 492,694	\$ 407,115

During the year ended February 28, 2019, the Company's net and comprehensive loss increased by \$132,042, or 279%, resulting in an increase to net loss per share of \$0.01, from \$0.02 per share the Company reported during the period from July 7, 2017 (inception) to February 28, 2018, to \$0.03 per share the Company reported for the year ended February 28, 2019. Since the Company was incorporated on July 7, 2017, the period ended February 28, 2018, did not represent a complete fiscal year, which is the reason for the comparatively lower net loss for fiscal 2018. In addition, during the period ended February 28, 2018, the Company had only minimal operating activities. During the year ended February 28, 2019, the Company filed its prospectus for its IPO and applied to list its common shares on the TSX-V as well as prepared and filed the Technical Report on its Metla Property. The filing of the preliminary and final long-form prospectus for the IPO, as well as other regulatory filings, resulted in the significant increase of legal and regulatory fees of \$66,466 and \$18,603, respectively. The net loss in fiscal 2019 was further increased by \$37,654 in share-based compensation associated with options to acquire 890,000 Common Shares that the Company granted to its consultants.

The Company's total assets increased by \$85,579, or 21%. The increase in the Company's assets resulted from the deferred exploration costs totalling \$236,452 and a \$42,000 reclamation bond that the Company was required to pay on its Metla Property, and a modest increase in the Company's receivables, which increased by \$14,382 and were associated with the GST the Company paid on the services it received during the year, and by a \$13,644 increase to the prepaid expenses, which were associated with payments the Company made for its annual directors' and officers' insurance, and a retainer the Company was required to pay to the Agent for the IPO. These increases were in part offset by the \$222,435 decrease to the cash balance from \$236,598 at February 28, 2018 to \$14,163 at February 28, 2019.

### RESULTS OF OPERATIONS

During the year ended February 28, 2019, the Company recorded a net loss of \$179,313. The largest expense item that contributed to the net loss was associated with \$109,144 that the Company incurred in professional fees. In addition to professional fees, the Company recorded \$37,654 in share-based compensation associated with the options to acquire 890,000 Common Shares of the Company that the Company granted on April 15, 2018 and June 15, 2018, to its officers and consultants. Other expenses that increased net loss included \$19,192 in regulatory and filing fees associated with filing of the preliminary prospectus for the IPO, \$3,980 in travel, meal and entertainment expenses and \$3,907 in advertising and promotion expenses (both expense categories being mainly associated with the Company exhibiting at the Prospectors & Developers Association of Canada 2018 Convention in Toronto, Ontario).



("PDAC")), \$2,790 in office expenses, and \$500 in project investigation costs associated with the renewal of the free miner's permit.

During the year ended February 28, 2019, the Company acquired office equipment for a total of \$1,903, and recorded \$399 amortization expense.

## SUMMARY OF QUARTERLY RESULTS

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

<b>Period ended:</b>	<b>Net and comprehensive loss</b>	<b>Loss per share; basic and diluted</b>
February 28, 2019	\$ 47,705	\$ 0.01
November 30, 2018	\$ 63,739	\$ 0.01
August 31, 2018	\$ 31,927	\$ 0.01
May 31, 2018	\$ 35,942	\$ 0.01
February 28, 2018	\$ 23,895	\$ 0.01
November 30, 2017	\$ 20,166	\$ 0.01
August 31, 2017	\$ 3,210	\$ 0.00
May 31, 2017	n/a	n/a

During the quarter ended February 28, 2019, the Company recorded a net loss of \$47,705. 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.

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 \$31,927. The largest expense item that contributed to the net loss related to \$16,557 in share-based compensation expense for options to acquire 400,000 Common Shares that the Company granted on June 15, 2019 to its officers and consultants; in addition, the Company incurred \$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.

During the period from July 7, 2017 (inception) to August 31, 2018, the Company recorded a net loss of \$3,210, of which \$3,193 related to legal fees associated with incorporation of the Company. During the same period, the Company incurred \$35,861 in deferred exploration expenditures on its Metla Property.

## LIQUIDITY AND CAPITAL RESOURCES

	February 28, 2019	February 28, 2018
Working capital (deficiency)	\$ (167,530)	\$ 189,517
Deficit	\$ 226,584	\$ 47,271

As at February 28, 2019, the Company had \$14,163 in cash (February 28, 2018 - \$236,598), current assets of \$54,094 (February 28, 2018 - \$248,503) and current liabilities of \$221,624 (February 28, 2018 - \$58,986), with working capital deficit of \$167,530 (February 28, 2018 – working capital of \$189,517). Other current assets consisted of GST receivable totalling \$18,326 (February 28, 2018 - \$3,944), and \$21,605 in prepaid expenses (February 28, 2018 - \$7,961).

During the year ended February 28, 2019, the Company's operations were supported by \$64,600 that the Company received on subscriptions for 646,000 Common Shares at \$0.10 per share and by advances aggregating \$110,000 under the First Bridge Loan from its CEO and President and under the Second Bridge Loan from its Corporate Secretary. In addition, during the year ended February 28, 2019, the Company's indebtedness to its related parties increased by \$33,512.

Subsequent to the year ended February 28, 2019, the Company completed its IPO on May 21, 2019 and received gross proceeds of \$816,600 and repaid all amounts due under the First Bridge Loan and the Second Bridge Loan on June 12, 2019. The Company plans to use its available funds following the IPO as outlined under "Initial Public Offering" under "Company Overview-Key Events for the Year Ended February 28, 2019".

The Company did not generate sufficient cash flows from its operating activities to satisfy its cash requirements for the year ended February 28, 2019. The cash that the Company has generated since its inception on July 7, 2017, to February 28, 2019, has been from proceeds from the sale of the Company's Common Shares and from bridge loans from its related parties. At February 28, 2019, the Company's liquid assets were significantly less than its then current debt obligations, which totalled \$221,624 and included \$185,465 due to related parties.

The Company's planned exploration program will require approximately \$674,400, of which \$100,000 will be required to complete a portion of Phase 1 program scheduled for the Summer 2019, and a further \$128,900 to complete remaining Phase 1 work program which the Company is planning to recommence in its fiscal 2020, or as weather permits; \$445,500 will be required to complete Phase 2 of the program. 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 period from July 7, 2017 (inception) to February 28, 2018 and the financial year ended February 28, 2019, the Company had the following transactions with related parties:

	Year ended February 28, 2019	Period from July 7, 2017 (inception) to February 28, 2018
Professional fees and reimbursable expenses accrued to the Company's CFO	\$ 6,650	\$ 30,000
Project acquisition costs incurred to the Company's co-founder	\$ -	\$ 53,000
Share-based compensation for options granted to directors and officers	\$ 27,202	\$ -
Reimbursable expenses due to the Company's Corporate Secretary	\$ 2,558	\$ -
Reimbursable expenses due to the Company's CEO	\$ 43,643	\$ -
Project management fees and reimbursable exploration and evaluation expenditure incurred to the common-law spouse of the Company's co-founder recorded as part of exploration and evaluation assets	\$ 10,860	\$ 35,639

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 February 28, 2019, the amount payable to related parties was \$73,720 (February 28, 2018 - \$40,208), of which \$50,669 represented reimbursable expenses.

On September 14, 2018, the Company's CEO advanced the Company \$50,000 under First Bridge Loan. The First Bridge Loan is unsecured, payable on demand and accrued interest at 0.5% per month. During the year ended February 28, 2019, the Company recorded \$1,391 in interest expense associated with the First Bridge Loan.

On January 23, 2019, the Company's Corporate Secretary advanced the Company \$60,000 under the Second Bridge Loan. The Second Bridge Loan is unsecured, payable on demand and accrued interest at 0.5% per month. During the year ended February 28, 2019, the Company recorded \$354 in interest expense associated with the Second Bridge Loan.

The Company repaid all amounts due under the First Bridge Loan and the Second Bridge Loan 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	9,783,000	Issued and outstanding
Stock options	490,000	Exercisable into 490,000 Common Shares at a price of \$0.10 per share expiring on July 15, 2019
Stock options	380,000	Exercisable into 380,000 Common Shares at a price of \$0.20 per share expiring on May 21, 2021
Compensation Options	230,840	Compensation Options granted to the Agent and members of its selling group as part of IPO. The Options are exercisable into 230,840 Common Shares at \$0.20 per share expiring on May 21, 2021
	10,883,840	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](http://www.sedar.com).