VULCAN MINERALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

For the Year Ended December 31, 2018

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address exploration, drilling, exploration activities and events or developments that Vulcan Minerals Inc. (the "Company") expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include market prices, exploration and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

General Business

The Company is engaged in mineral exploration on properties in Newfoundland and Labrador. The Company is an exploration venture company and has no proven reserves. The Company holds 66.4% (2017-66.6%) interest in Red Moon Resources Inc. (Red Moon), a publicly traded company at December 31, 2018. Red Moon is engaged in industrial mineral exploration development and production on properties in Newfoundland and Labrador.

This MDA should be read in conjunction with the audited interim condensed consolidated financial statements for the twelve months ended December 31, 2018 and accompanying notes. The consolidated financial statements include the accounts of the Company and 66.4% (2017-66.6%) held subsidiary, Red Moon Resources Inc.

DATE

The date of this MDA is April 26th, 2019.

OVERALL PERFORMANCE

The Company reported a net loss in the amount of $1,719,480 for the year ended December 31, 2018 ($1,712,031- year ended December 31, 2017).

The Company recorded an impairment its exploration and evaluation assets in the amount of $851,800 (2017-$1,013,771) for the year ended December 31, 2018. The Company regrouped certain of its mineral licenses and in that process surrendered some of the land associated with the licences. The Company recorded a write-down to its geological and geophysical data in proportion to the land surrendered as compared to the total area covered by the geological and geophysical data.

The Company recorded stock-based compensation expense in the amount of $217,206 for the year ended December 31, 2018 (2017-$21,377). In the year ended December 31, 2018 the Company granted 3,250,000 (2017 – 250,000) stock options to directors, employees and advisory board members, with each option entitling the holder to purchase one common share at $0.10 per share for a period of five years. 1,475,000 options vested on the date of the grant and the remaining 1,775,000 options vest December 31, 2019. In the year ended December 31, 2018 the Company's subsidiary, Red Moon Resources Inc. granted 2,400,000 (2017 – nil) stock options to directors, employees and advisory board members, with each option entitling the holder to purchase one common share at $0.10 per share for a period of five years. 1,200,000 options vested on the date of the grant and the remaining 1,200,000 options vest December 31, 2019.

The following table outlines the significant components of consolidated general and administrative expenses for each of the years ended December 31, 2018 and December 31, 2017.

	2018	2017
	$	$
Office and administrative	**117,012**	126,872
Management, salaries and contract fees and benefits	**350,126**	371,623
Directors' fees	**20,000**	20,000
Transfer agent and professional fees	**100,495**	94,781
Travel and accommodation	**34,985**	62,303
	622,618	675,579
Expenses attributable to subsidiary, Red Moon Resources Inc.	84,399	81,656
Expenses attributable to parent, Vulcan Minerals Inc.	538,219	593,923
Total	**622,618**	**675,579**

OPERATIONS

Mineral Properties

Colchester Copper Gold Project

The Company announced in May 2016 the acquisition, by staking, of the Colchester copper-gold property in north-central Newfoundland. The property is accessible by paved road approximately 25 kilometres off the Trans Canada Highway. The area is serviced by an airport at Deer Lake 110 kilometres to the southwest. The property contains four past producing historic mines which operated in the late 1800's, namely the Colchester, West Colchester, McNeilly and Old English.

In 1967, Colchester Mines Ltd. evaluated the previous work on the property and provided a resource calculation based on diamond drilling, that the known workings contained 1,000,000 tons (including 20% dilution) of copper grading 1.3%. This is an historic reference that is not compliant with National instrument 43-101. As such the Company is not treating the historical estimate as a current resource or reserve. Rather, it is used to demonstrate the potential for the property to contain significant copper mineralization.

Follow-up drilling in 1971 by Cerro Mining Company encountered the following highlights, presented below in Table 1.

Hole	True Thickness (m)	Vertical Depth (m)*	Cu (%)
COL-30	7.01	27.43	2.3
COL-48	24.38	262.13	1.02
COL-3	5.49	48.77	2.6
COL-16	4.57	12.19	1.13
COL-16	5.18	32.00	1.7

COL-16	21.03	112.78	0.95
COL-21	28.96	35.05	1.2
COL-49	33.53	152.40	0.8
COL-35	13.11	62.48	1.06
COL-37	7.32	39.62	1.3
COL-41	31.39	102.11	1.05
COL-51	12.19	68.58	1.44
COL-51	19.81	146.30	1.04

Table 1. Highlights from historical drilling by M.J. Boylen Engineering and Cerro Mining (1963-1970).

More recent drilling in 2004-2005 by another operator confirmed the significant distribution of copper on the property as well as the potential for gold. Several gold occurrences are documented, including the Alpha showing, which occurs within the immediate vicinity of the Colchester Main Zone, where trench sampling by previous explorers encountered 5.9 g/t Au, 2.05% Cu, 1.18% Zn and 30.7 g/t Ag over 3.0 m and also 18.9 g/t Au, 4.7% Cu, 0.42% Zn and 36.49 g/t Ag over 1.5 m. Follow-up drilling of the Alpha showing by the same explorers confirmed subsurface continuity of base and precious metal mineralization.

In November 2016, the Company re-established a 20 line km. grid on the Old English portion of the property and carried out a high resolution Induced Polarization (IP) geophysical program followed by an 800 metre drill program which confirmed the tenor of mineralization and the positive correlation with the IP survey results. Several drill targets with significant potential for copper and gold discoveries have been identified both within and outside the historic resource area. Further drilling on the property is warranted based on these results.

Based on the regional compilation work carried out on the original Colchester property, additional claims were staked including the Little Bay copper mine (dormant) and adjacent gold showings which are now collectively referred to as the Springdale project. A program of prospecting was carried out on a portion of this project in 2016. Further mapping, prospecting and geological surveying were carried out on the Colchester and Little Bay properties in the summer of 2017 confirming historic sampling and identifying areas for future trenching and geophysics. Based on the evaluation certain lower perspectivity claims were reduced from the project. No field work was carried out in 2018 and the main property is in good standing.

Lizard Pond Gold Property

In July 2016, the Company acquired, by staking, the Lizard Pond gold property in central Newfoundland. The property is adjacent to the Baie d'Espoir highway approximately 50 kilometres south of the Town of Grand Falls-Windsor. The property consists of several gold showings including the Lizard Pond South showing having initially yielded channel samples of 12.6 grams per tonne (g/t) gold over 0.4 metres and 6.6 g/t gold over 1.2 metres. The property is considered to be in a mineralized trend along the west side of the Mt. Peyton pluton that contains a recent high grade gold intersection by Sokoman Iron Corp (11.9 meters of 44.9 grams/tonne gold as per their July 24, 2018 news release). This gold intersection has sparked recent staking and drilling activity near the Lizard Pond property. The Company carried out prospecting and mapping work in 2018. Based on this evaluation certain lower prospective claims were reduced from the property. Future work will depend on the availability of financing and the level of exploration occurring in the area.

Red Cross Lake Nickel/Copper/Cobalt/Gold Project

The Company completed a review of the Red Cross Lake property in central Newfoundland for its nickel, copper and cobalt potential in 2018. The property contains the Red Cross Lake intrusive suite, a layered mafic-ultramafic intrusion that received a preliminary evaluation of its nickel potential by Falconbridge in 2005. The property is favourably situated in a structural setting considered favourable for the formation of magmatic nickel-copper-cobalt mineralization. The property structurally offsets the Marathon gold deposit to the west, which is currently being delineated by Marathon Gold Corp. As such, gold was the initial focus of attention on this property and will remain a target of interest based on the positive results of the 2017 soil geochemical survey. However, the nickel potential of the project warrants evaluation. There are several factors that highlight the potential for nickel sulphide development, including evidence of nickel depletion in certain units of the intrusion. This may indicate that an immiscible sulphide melt could have preferentially extracted this nickel, which is a critical process for forming nickel sulphide mineralization. The continuing review has included inspection and sampling of drill core from historical exploration, as well as a compilation and analysis of historical geophysical data. The geophysical data indicates the potential for electrical conductors on the property which may represent drill targets. A modern time-domain deep penetrating electro magnetic survey is proposed for the property subject to the availability of survey equipment in 2019.

South Voisey's Bay Nickel/Copper/Cobalt

The Company owns a strategic land position in the South Voisey's Bay nickel-copper-cobalt project in Labrador. The Company's claims are directly adjacent to targets that Fjordland Exploration Inc. (Fjordland)and Commander Resources Ltd. (Commander) drilled in October 2017. The Project comprises four licences containing a total of 72 claims.

The South Voisey's Bay project area contains the Pant's Lake mafic intrusive complex which was first explored for nickel following the 1993 discovery of the Voisey's Bay nickel-copper-cobalt mine, approximately 80 kilometers north. Several rounds of drilling and geophysics have established the intrusion's potential for significant accumulations of massive magmatic sulphides.

On March 21, 2018 a binding Letter of Intent was signed with Fjordland granting it the option to acquire a 65% working interest in 30 mineral claims located in the South Voisey's area, Labrador. Under the terms of the agreement, Fjordland has the option to pay Vulcan $45,000 and incur $150,000 in exploration expenditures over a period of three years. If the option is exercised a joint venture will be formed whereby Vulcan will be carried for 100% of its joint venture expenditures on the claims until Fjordland earns its full interest from Commander on surrounding contiguous lands or a minimum expenditure of $7 million on those lands. During the summer of 2018 Fjordland carried out a drilling program (approx. 1300 meters) at the South Vosiey's Bay project. Some of the drill locations are on or near Vulcan's claims but did not encounter significant mineralization. Subsequent to year-end Fjordland advised that they are terminating this option agreement. The lands are in good standing based on the exploration assessment work carried out.

Red Moon Resources

Red Moon Resources Inc., a subsidiary in which Vulcan holds a 66.4% (2017-66.6%) ownership interest, owns a 100% interest in mineral licences covering a portion of the Bay St. George Basin in Western Newfoundland. The Bay St. George area is part of the larger Maritimes Basin which is a significant producer of salt and potash.

The Company manages Red Moon's exploration work including its development of the Captain Cook salt deposit, the Ace gypsum development and production and the nepheline syenite project. A National Instrument 43-101 compliant mineral resource report with respect to the Captain Cook salt deposit was completed in 2016 by APEX Geoconsultants Ltd.. The resource estimate concluded that using a 95.0% lower base cut-off for sodium chloride, the Captain Cook Halite Resource Estimate is classified as "Inferred" and demonstrates that there is 908 million tonnes of high purity halite (96.9% salt) for 880 million in-situ tonnes of salt. To demonstrate that the salt has reasonable prospects of economic extraction, the mineral resource is reported at a lower base case cut-off of 95.0% NaCl. This is the general standard used in the purchase of road salt and follows the specification outlined in American Society for Testing and Materials (ASTM) Designation D632-12 (2012), which is applicable for sodium chloride intended for use as a de-icer and for road construction or maintenance purposes. Accordingly, with respect to reporting a resource estimate that abides by the General Guidelines of NI 43-101, the Red Moon salt test work results show that the Captain Cook halite deposit has good prospects of economic viability for an industrial mineral deposit. Red Moon is soliciting funding to complete a feasibility study on the project.

Red Moon commenced production at its Ace gypsum deposit in western Newfoundland. The deposit is part of the historic Flat Bay gypsum mines that have been dormant since 1990. Red Moon has identified potential markets that warrant the permitting and revitalization of the mine commensurate with market demand for gypsum. Production activities commenced in late July and two sales of gypsum have occurred to date. Markets for 2019 have been identified and production will be ramped up.

In 2017, Red Moon acquired a bulk sample from its Black Bay nepheline deposit in southern Labrador where the company conducted a mapping and sampling program in late 2016. That program confirmed that the potential tonnage of the deposit warrants further work and that the chemical composition of the material is within commercial specifications subject to certain beneficiation processes. The bulk sample of the deposit was analyzed and processed at the laboratory to better gauge the beneficiation characteristics of the raw nepheline syenite. Results indicate favourable characteristics and Red Moon is planning further sampling work and is also soliciting partners to advance the project.

Western Newfoundland-Petroleum (Onshore)

Bay St. George

The Company held a 2.0% gross overriding royalty on three petroleum permits (permits 03-106, 03-107, and 96-105) covering approximately 250,000 acres in the onshore Bay St. George area in western Newfoundland, operated by Investcan Energy Corporation (Investcan). Investcan has relinquished the permits back to the provincial government as such the royalty interests have terminated.

Investcan abandoned and reclaimed the various well sites on the permits pursuant to environmental regulatory requirements in advance of the relinquishment. Deposits of $286,000 posted as reclamation bonds, were refunded to the Company in April 2018.

Investment-Other

On May 12, 2017, the Company acquired an interest in a newly formed private company, Vinland Materials Inc. incorporated under the laws of the Province of Newfoundland and Labrador. This new company was formed to pursue the development of various industrial commodities in the Province of Newfoundland and Labrador.

Plans for 2019

The Company is soliciting partners to advance each of its projects. The Company will also continue to advance, through Red Moon, the Captain Cook salt project towards feasibility and assist with production activities at the Ace gypsum mine.

SUMMARY OF QUARTERLY RESULTS

Quarter	Total Income	Net Loss	Net Loss per share
	$	$	$
December 31, 2018	17,771	(331,918)	(0.010)
September 30, 2018	nil	(468,242)	(0.008)
June 30, 2018	286	(691,804)	(0.011)
March 31, 2018	302	(227,516)	(0.004)
December 31, 2017	42,736	(205,717)	(0.003)
September 30, 2017	992	(139,783)	(0.002)
June 30, 2017	922	(1,181,751)	(0.020)
March 31, 2017	1,546	(184,780)	(0.003)
December 31, 2016	2,106	(179,969)	(0.003)
September 30, 2016	2,438	(149,300)	(0.002)
June 30, 2016	2,663	(285,592)	(0.005)

Revenue for each quarter is represented by interest income except for Q4 2018 & Q4 2017. In Q4 2018 revenue is from an equity accounted investment while Q4 2017 is $42,027 income on available for sale investment sold in the quarter. Due to the change from IAS 39 to IFRS 9 previously accounted for available for sale investments are now recognized in OCI and therefore no further income from available for sale investments will be recorded in the income statement. Net loss for the quarter ended September 30, 2018 includes a provision for write down of exploration and evaluation assets in the amount of $316,409. Net loss for the quarter ended June 30, 2018 included a provision for write-down of exploration and evaluation assets in the amount $365,584 and stock-based compensation of $163,083. Net loss for the quarter ended June 30, 2017 included a provision for write-down of exploration and evaluation assets in the amount of $1,000,635. Net loss for the quarter ended June 30, 2016 included a write down of exploration and evaluation assets in the amount of $127,460.

LIQUIDITY

At December 31, 2018 the Company had current assets of $85,326 which include cash of $34,678 including cash of $1,755 held by the Company's consolidated subsidiary, Red Moon Resources Inc. The cash is readily available and is not subject to subprime debt issues nor asset backed commercial debt. Subsequent to year-end the Company completed a private placement for $150,000 while Red Moon completed a private placement of $255,000.

The Company has no long-term debt and as such is not sensitive to interest rate fluctuation on debt instruments. The Company's cash and cash equivalents are held in bank accounts with no exposure to equity market fluctuations.

The Company has no established revenue from mineral properties. The Company's ability to continue in the long term will be dependent on equity financing or obtaining joint venture partners.

The Company's financial statements have been prepared using generally accepted accounting principles in Canada applicable to a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Management continues to seek out partners for various projects. Nonetheless, there is no assurance that these initiatives will be successful. The Company's financial statements and management's discussion and analysis do not reflect adjustments to the carrying value of assets and liabilities that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

CAPITAL RESOURCES

The Company holds 19 mineral licences and subsidiary company, Red Moon, has 14 mineral licences in Newfoundland and Labrador. These tenure instruments require annual work obligations in order to maintain ownership. Failure to fulfill work obligations would result in loss of ownership interest. The Company holds a 3% net production royalty on certain of the mineral licences currently held by subsidiary, Red Moon.

TRANSACTIONS WITH RELATED PARTIES

The Company and its subsidiary paid key management personnel, which includes the President and Chief Executive Officer, and the Chief Financial Officer, management fees, salaries and benefits in the amount of $260,905 for the year ended December 31, 2018 ($274,112- for the year ended December 31, 2017). The Company also recognized $198,494 in share-based compensation ($19,843 in 2017).

The Company paid directors' fees totalling $20,000 for the year ended December 31, 2018 ($20,000- year ended December 31, 2017). Each director of Vulcan is paid an annual director's fee of $5,000 ($2,500 in January and June of each year). The directors of Vulcan Minerals and Red Moon have resolved to pay no directors' fees in 2019.

The Company and its subsidiary, Red Moon, expensed premises rent aggregating $36,000 (2017- $36,000) for the year ended December 31, 2018 to a private company owned and controlled by the President of the Company. Included in this amount is $10,000 accrued as a payable by Red Moon Resources Inc. for the months March to December 2018.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Management is of the opinion that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

STOCK OPTIONS

Vulcan Minerals Inc.

In the year ended December 31, 2018 the Company granted 3,250,000 (2017 – 250,000) stock options to directors, employees and advisory board members, with each option entitling the holder to purchase one common share at $0.10 per share for a period of five years. 1,475,000 options vested on the date of the grant and the remaining 1,775,000 options vest December 31, 2019.

Red Moon Resources Inc.

In the year ended December 31, 2018 the Company's subsidiary, Red Moon Resources Inc. granted 2,400,000 (2017 – nil) stock options to directors, employees and advisory board members, with each option entitling the holder to purchase one common share at $0.10 per share for a period of five years. 1,200,000 options vested on the date of the grant and the remaining 1,200,000 options vest December 31, 2019.

On a consolidated basis, the Company recognized share-based compensation costs in the amount of $219,291 in the year ended December 31, 2018 ($27,801- year ended December 31, 2017). Share-based compensation in the amount of $217,207 was expensed for the year ended December 31, 2018 ($21,377- year ended December 31, 2017) and $2,085 (December 31, 2017- $6,424) was capitalized to mineral exploration and evaluation assets.

New and amended standards adopted by the Company

On January 1, 2018, the Company adopted IFRS 9, which replaced IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 provides a revised model for the classification and measurement of financial assets that eliminates the previous categories of financial assets under IAS 39 of "available for sale", "held-to-maturity", or "loans and receivables". Under IFRS 9, on initial recognition, a financial asset is classified as and measured at: amortized cost, fair value through profit and loss ("FVPL"), or fair value other comprehensive income ("FVOCI"). The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. This standard incorporates a new hedging model, which increases the scope of hedged items eligible for hedge accounting and aligns hedge accounting more closely with risk management. IFRS 9 replaces the "incurred" loss model in IAS 39 with "an expected credit loss" ("ECL") model for calculating impairment. This new standard also increases required disclosure about an entity's risk management strategy, cash flows from hedging activities, and the impact of hedge accounting on the financial statements. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The following table summarizes the classification and measurement changes for the Corporation's financial assets and financial liabilities as a result of the adoption of IFRS 9.

	IFRS 9		**IAS 39**	
	Measurement category	**Carrying amount**	**Measurement category**	**Carrying amount**
Financial Assets				
Cash	Amortized cost	34,678	Amortized cost (Loans and receivables)	355,726
Accounts receivable	Amortized cost	7,956	Amortized cost (Loans and receivables)	11,157
Due from related company	Amortized cost	94,490	Amortized cost (Loans and receivables)	62,990
Investments	FVOCI	2,632	Amortized cost (Loans and receivables)	23,843
Financial Liabilities				
Accounts payable and accrued liabilities	Amortized cost	91,627	Other financial liabilities	80,442

As a result of the new classification model and measurement requirements under IFRS 9, the Company has elected to classify the available-for-sale investments as fair value through other comprehensive income investments. Under this classification, there is no recycling of gains or losses from accumulated other comprehensive income to profit or loss. Due to the adoption of IFRS 9, a gain of approximately $15,863 on the disposal of investments classified as fair value through other comprehensive income was recorded in other comprehensive income rather than profit or loss during the period. The measurement for these instruments and the line item in which they are included in the financial statements were unaffected by the adoption of IFRS 9. In accordance with the transitional provisions, the comparative information for prior periods have not been restated.

Standards and amendments not yet effective and not yet applied

IFRS 16, "Leases" ("IFRS 16") is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17, "Leases" ("IAS 17"). Qualifying leases will be recorded on the balance sheet as an asset under property and equipment and will have a corresponding liability with both current and long-term portions.

IFRIC 23, "Uncertainty over income tax treatments" (" IFRIC 23") is effective for annual periods on or after January 1, 2019 and clarifies how the recognition and measurement requirements of IAS 12, "Income taxes" ("IAS 12"), are applied where there is uncertainty over income tax treatments.

The Company is reviewing the standards and amendments, to determine the potential impact, if any, on its financial statements.

FINANCIAL INSTRUMENTS AND OTHER RISKS

The Company's financial instruments include cash and cash equivalents, and accounts payable and accrued liabilities. The carrying amount of each approximates fair value due to their short-term nature.

The Company also holds financial instruments in the form of fair value through other comprehensive income. The investments had a carrying value of $2,632 at December 31, 2018.

Business Risks

The Company is a junior exploration company principally involved in mineral exploration which are inherently high-risk activities. The business of exploring for, developing, and acquiring, mineral projects is subject to many risks and uncertainties, several of which are beyond the control of the Company. These risks are operational, financial, legal and regulatory in nature. Operational risks include unsuccessful exploration and development drilling activity, safety and environmental concerns, access to cost effective contract services, escalating industry costs for contracted services and equipment, product marketing and hiring and retaining qualified employees. The Company is subject to financial risk as exploration is capital intensive though Red Moon has initiated production at its Ace gypsum mine, this operation is at an early stage as it establishes its presence in the marketplace and secures a reliable cash flow. The Company has traditional sources of funding available including equity and joint venture financing arrangements. Only the skills of management and staff in mineral and exploration financing serve to mitigate these risks. The Company is subject to a variety of regulatory risks that it does not control. Government and Securities regulations are monitored to ensure the Company continues to be in compliance.

The Company also mitigates many of the above risks by having diversified exploration projects capable of financing by joint venture partners.

Financial Risk Factors

Other financial risk factors to which the Company is exposed are outlined below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company is exposed to credit risk on its cash and accounts receivable. The credit risk on cash is limited because the counterparty is a chartered bank with a high credit rating. The Company assesses its credit risk on cash and accounts receivable as not significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As of December 31, 2018, the Company had a cash balance of $34,678 and negative working capital of $34,967. The Company has no established current source of operating cash flow other than revenues from the Ace gypsum mine. The Company has completed two private placement's of $150,000 and $255,000 in Red Moon Resources however liquidity risk is significant to the Company. The Company's ability to continue as a going concern is dependent upon its ability to fund working capital and future acquisition costs and exploration requirements and eventually to generate positive cash flows, either from operations or proceeds from disposition of exploration assets. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern

Liquidity risk is also significant to subsidiary company, Red Moon Resources Inc. It has a limited amount of cash however subsequent to year end closed a private placement for $255,000.

Commodity price risk

The recoverability of the costs of exploration and evaluation properties is partially related to the market price of minerals. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with exploration programs is also indirectly subject to commodity prices.

Interest rate risk

The Company's cash balances are held in Canadian chartered bank accounts. The Company has no debt. The Company believes its interest rate risk is not significant.

Market price risk

The value of the Company's investments is exposed to fluctuations in value depending on a number of factors, including the quoted market price and the market value of the commodities that the companies may focus on. The Company does not utilize any derivative contracts to reduce this exposure.

CONTINGENCIES

a) In 2011, the Company was served with a statement of claim by Geophysical Service Incorporated (GSI) wherein it is claimed that the Company, as a co-defendant with Investcan Energy Corporation, has committed a copyright infringement. The claim relates to an allegation that accessing offshore Labrador seismic data, which is released to the public by the Canada Newfoundland and Labrador Offshore Petroleum Board (CNLOPB) after the relevant statutory privilege-confidentiality period, is a breach of copyright. The Company has fully defended its interests including participating in an Alberta "common issues" trial with multiple defendants from other cases and jurisdictions which raised the same legal issues with GSI. The common legal issues pertained to whether certain GSI seismic data is subject to copyright law and if so whether the regulatory regime which prescribes for the release of that data by the regulatory bodies, including the CNLOPB, is valid and not an unlawful infringement on any copyright protection. The Alberta Court of Queen's Bench and the Alberta Court of Appeal have both upheld the validity of the regulatory regime as a full answer to any allegation of unlawful disclosure and copyright infringement by the multiple defendants. Therefore the CNLOPB was within its rights to release the seismic data pursuant to its regulatory regime and the Company was within its rights to access the data. GSI had sought permission to appeal the decision of the Alberta Court of Appeal to the Supreme Court of Canada (SCC), however this permission was not granted by the SCC. Thus the common issues have been fully answered and no further appeals are available. The Company is of the opinion that GSI's claim against the Company has been fully answered in the Company's favor as a result of the "common issues" decision and will endeavor to have the claim extinguished in the Supreme Court of Newfoundland and Labrador. No amounts have been recorded in the Company's accounts related to this claim.

b) The Company has been added as a co-defendant in an ongoing legal action Geophysical Service Incorporated (GSI) has with NWest Energy Corp. (now Ceylon Graphite Corp. by way of name change) regarding an alleged breach of an agreement between those parties. GSI has submitted a Statement of Claim and the Company has filed a Statement of Defence. Procedurally the action has moved slowly through the Alberta courts as multiple GSI actions in Alberta involving other parties were awaiting the resolution of the "common issues" trial noted (a) above. The Company believes the claims against it are without basis or merit and no amounts have been recorded in the Company's accounts related to this claim. The Company is fully defending its interest.

SHARE CAPITAL

As of the date of this management discussion and analysis the Company has 61,352,765 voting common shares outstanding. The Company's share capital consists of an unlimited number of voting common shares, and an unlimited number of preferred shares of which there are none outstanding.

The Company and its subsidiary company have 9,400,000 stock options outstanding at April 26, 2019 (of which 3,800,000 relate to subsidiary, Red Moon) summarized in the table below. There were 6,425,000 options vested and exercisable at April 26, 2019 (of which 2,600,000 relate to subsidiary, Red Moon).

Vulcan Minerals has 1,413,318 share purchase warrants outstanding at April 26, 2019. The subsidiary company has 3,800,000 share purchase warrants outstanding at April 26, 2019 summarized in the table below, of which 2,000,000 are held by Vulcan.

Date Issued	Number	Exercise Price	Details
Vulcan as follows:			**Stock Options**
February 17, 2016	1,800,000	$0.10	Directors' Options, Expiry February 17, 2021
February 17, 2016	200,000	$0.10	Employee Options, Expiry February 17, 2021
December 14, 2016	100,000	$0.10	Advisory Committee, Expiry December 14, 2021
March 21, 2017	100,000	$0.10	Employee Options, Expiry March 21, 2022
September 27, 2017	150,000	$0.10	Advisory Committee & Employee, Expiry September 27, 2022
April 27, 2018	2,750,000	$0.10	Directors', Advisory Committee & Employees, Expiry April 27, 2023
October 10, 2018	500,000	$0.10	Advisory Committee, Expiry October 10, 2023
			Warrants
Dec 14, 2018	433,318	$0.12	Share Purchase Warrants, Expiry December 14, 2021
Jan 31, 2019	980,000	$0.12	Share Purchase Warrants, Expiry January 31, 2021
Red Moon as follows:			**Stock Options**
March 16, 2016	1,400,000	$0.10	Directors' Options, Expiry March 16, 2021
April 27, 2018	2,400,000	$0.10	Directors' Options, Expiry April 27, 2023
			Warrants
April 9, 2019	1,275,000	$0.25	Share Purchase Warrants, Expiry April 9, 2021
Dec 1, 2015	2,525,000	$0.10	Share Purchase Warrants, Expiry November 6, 2020

ADDITIONAL INFORMATION

All corporate disclosure documents are filed on www.sedar.com. Additional information regarding the Company's projects and activities are available at www.vulcanminerals.ca.