Lovitt Resources Inc.

MANAGEMENT DISCUSSION AND ANALYSIS
For the six months ended September 30, 2019

General

The following Management Discussion and Analysis ("MD&A) for Lovitt Resources Inc. (the "Company") includes financial information and should be read in conjunction with the Company's unaudited consolidated condensed interim financial statements for the six months ended September 30, 2019 and the audited annual consolidated financial statements for the year ended March 31, 2019 and the notes contained therein. The preceding accounts were prepared by management using appropriate controls and procedures. All figures are reported in US $ unless otherwise indicated.

The Company has reported its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures presented are expressed in US dollars unless otherwise noted. Financial statements and summary information derived therefrom are prepared in accordance with International Financial Reporting Standards ("IFRS"). Consequently, all comparative financial information presented in this MD&A reflects the consistent application of IFRS.

This MD&A was prepared with information available as of November 29, 2019. The above documents and additional information relating to the Company may be found at www.sedar.com.

Certain information included in this discussion may constitute forward-looking statements. Such statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied herein. Historical results, including trends which might appear, should not be taken as indicative of future results. The company must use historic data in planning exploration, and since the majority of this information predates NI 43-101 standards, such data cannot be relied upon to make investment decisions. Any reference to historic data of any kind implies non-compliance with National Instrument 43-101.

Disclosure, Control and Procedures

Management is responsible for the information disclosed in this document through the implementation of appropriate information systems, with procedures and controls designed to ensure that information used internally, and reported externally, is in all material respects complete and reliable. The CEO and CFO have certified in a public filing that the design and operation of such disclosures, controls, and procedures was effective for the four quarters ending March 31, 2019 and have declared that all material information relevant to this period is fairly presented and disclosed in this document.

Forward-Looking Information

This MD&A contains forward- looking statements and information relating to Lovitt Resources Inc. (the "Company", or "LRC") and its wholly owned subsidiary the Lovitt Mining Corporation, Inc. ("LMC") based upon the beliefs of its management, with assumptions made by, and with information currently available to the Company. When used in this document, the words "anticipate", "believe", "expect", and "estimate" and similar expressions, as they relate to the Company, LMC, or its management, are intended to identify forward-looking statements.

The MD&A may contain forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of working capital, and the estimated cost and availability of funding for the continued operations of the Company. Many factors could cause actual results to vary considerably from any future results expressed or implied by such forward-looking statements.

Background and Overall Performance

LMC assets in Wenatchee, Washington State, consist of over 240 acres of real estate, mineral rights to over 670 acres, water rights, extensive gold and silver mine workings with engineered maps and drawings, and a Wenatchee Gold Belt database covering substantial activity and development over the past 60 years. Current access to the mine is thru a portal on the 1250 level, and the company has extensively sampled these workings with approximately seven miles of tunnels to evaluate areas that might support future mining operations. Gold was found in every area important to past production. In September of 2008, LRC contracted with Watts, Griffis and McQuat, mine and geological consulting engineers out of Toronto, Canada to produce a NI 43-101 report and to make recommendations regarding future mineral exploration. This report was dated July 31, 2009 and is available on SEDAR or at http://www.lovittresources.com. The company intends to file an updated and current 43-101 in early 2020.

The Lovitt Gold Mine suspended operations in 1966, due to an adverse economic climate of rising inflation and a fixed gold price of $ 37.00 per oz. During the fifties and sixties, the mine was one of the top producing underground gold mines in the USA. The Wenatchee area is highly prospective for gold, as illustrated by the fact that the adjoining Cannon Mine was the 1st or 2nd largest underground gold mine in the USA during the late 1980's and early 1990's, when it produced 1.1 million ounces of gold. The Lovitt Mine produced over 410,000 ounces of gold and 626,000 ounces of silver between 1950 and 1967, with a crew of about 20 compared in comparison to the 180 employees of the Cannon Mine.

A major asset of the company is the archives of LMC, which contain daily operational logs, engineering drawings, exploration and ore assay logs, and numerous reports commissioned over the production years. Even more significant is the wealth of information assembled by various companies in the 1970's, 80's and 90's like Cyprus Anvil, Newmont Mining Corporation, United Mining, Teck Corporation and Asamera Minerals (US) Inc. operator of the adjoining Cannon Mine. The Lovitt Gold Mine workings are a major asset, with seven miles of tunnels horizontally and scores of raises between the 850 and 1480 levels, on six major levels and four sub-levels. The current cost of duplicating these workings would be in the order of $1000 per linear foot, or approximately $ 37 million today.

Despite the reams of historical data assembled by senior companies exploring the Wenatchee Gold Belt, no one entity has been able to place this data in a cohesive database system to fully understand the deposition of gold in the area. In fact, post 1970, exploration companies mentioned above were mainly motivated to develop an open pit mining reserve, when in fact the Lovitt Mine was historically a high-grade underground vein stock gold mine with bonanza zones of gold and silver. Asamera, a prolific diamond driller in the area, diamond drilled over 7 miles on strike NW and SE of the Lovitt and Cannon mines and hit gold with a success rate of over 80%.

The Company believes that shareholder value might be best enhanced by an outright sale or joint venture to develop the Lovitt Gold mine. The Company has sold surplus land, buildings and equipment for working capital since its last public financing in 2014, with the benefit that substantial shareholder dilution was avoided. The company intends to sell a private placement early in the 2020 financing to pay for a diamond drill program with expectations that the results might attract a senior mining company as a joint venture partner. Once mining is complete, the remaining surface land tenure has substantial value as a resort destination property. As part of selling surplus assets, land was sold for up to $69,000 per acre over the past year with a 1950's cost base of approximately $50.00 per acre.

Selected Annual Information

Please refer to the MD&A for the year ended March 31, 2019 filed on SEDAR.

Result of Operations

Corporate activity over the period centered upon 1) the sale of real estate and surplus equipment to generate revenue 2) developing an exploration plan to expand the gold and silver resource inside and around the Lovitt Gold Mine in Wenatchee, WA, and 3) Investigating potential mining and exploration opportunities in British Columbia and Washington State.

Sale of assets were higher in 2019 in comparison to fiscal year 2018 when the generation of land for sale became delayed due to competition for surveyor time. The company has only sold land excess to its mining eventual mine operating requirements and is committed to maintaining a security perimeter of at least 220 acres around the mine that will ensure total privacy.

	For the six months ended	
	30-Sep-19	30-Sep-18
Accounting and audit	**15,939**	17,529
Legal fees	**6,381**	820
Filing fees and regulatory	**9,040**	2,123
General office and supplies	**224**	32
Office rent, storage and utilities	**5,908**	5,550
Telephone, communications & promotions	**2,190**	64
Travel, meetings, lodging	**8,162**	4,289
Bank fees	**771**	308
Real estate tax and insurance	**4,368**	617
Postage and courier	**58**	--
Penalties & Interest	**373**	144
	53,414	31,477

Due to low working capital, company expenses were kept to minimum in 2019 in all areas of endeavor.

Summary of Quarterly Results

	Sep'19 $	Jun'19 $	Mar'19 $	Dec'18 $	Sep'18 $	Jun'18 $	Mar'18 $	Dec'17 $
Revenue	66,354	Nil	80,117	3,170	212	Nil	3,790	Nil
Net Income (Loss)	(1,274)	(53,528)	49,738	(53,869)	(90,971)	(48,900)	(53,869)	(90,971)
Earnings per share	(0.000)	(0.006)	0.005	(0.006)	(0.010)	(0.005)	(0.006)	(0.010)

Land sales were slow for three quarters up to the quarter ending March '19 when two real estate transactions produced a profit. In July '19, 3.13 acres of land was sold to produce $ 69,000 in gross revenue. The annual loss per quarter up to this point was consistent reflecting the tight control of company expenses.

Liquidity

The company has three distinct asset areas from which to derive liquidity:

1. Real Estate sales
2. Revenue from potential mineral production, subject to time to permit.
3. Borrow funds, or issue shares in a private placement or public offering.

The company has experienced a chronic working capital deficit for several years since the company chose to divest assets to pay expenses rather than dilute through equity in a bad market. For the six months ended September 30, 2019, the Company had a working capital deficit of 1,600,560 compared to a deficit of $ 1,535,312 at the March 31, 2019. In both cases, the working capital deficit reflects the fact that previously long-term debt became due. It is expected that this debt will be converted into equity, convertible bonds, or preferred shares in 2020. During the six months ended September 30, 2019, accounts payable decreased by $ 903, decreasing from **$** 16,984 down to $ 16,081. The Company intends to raise capital in early 2020 with the objective to initiate a major underground sampling program underground in the Lovitt Mine, concurrent with an above ground dd exploration program once permits are issued with the objective to define proven and probable gold reserves using a base of existing multiple drill holes previous operators.

The exploration budget to conduct underground exploration and a robust diamond drill program would cost in the neighborhood of $ 2,000,000. The company is investigating various financing avenues to raise funds to finance the program, with the first tranche targeted for 2020.

Management believes that long term debt is adequately covered by assets, since its substantial real estate portfolio is carried on the balance sheet at circa 1950 prices.

The company is totally dependent upon asset sales, borrowing, or financing in the venture capital markets to maintain liquidity.

Capital Resources

It should be noted that LMC, the wholly owned subsidiary of LRC owns about 250 acres of land on the city limits of Wenatchee, WA acquired in the 1950's and 60's. Current land valuations are substantially higher than the book value of these assets. The land value appreciation from the purchase price in the 1950's of around $ 50 per acre is not reflected in the balance sheet.

The company holds a substantial mineral interest in the area surrounding the Lovitt Mine, with the most important a 100% of the mineral interest in 200 acres including the patented claims of the Lovitt Mine. When the gold market improves, the company will research and consolidate its interest in mineral rights to a further 350 acres to the west of the Lovitt Mine. LMC was incorporated as a for profit gold mining company in Washington State in 1949, and before suspending operations in 1967, the company produced 410,480 ounces of gold and 625,850 ounces of silver. The company reactivated its interest in its mineral assets when gold hit all-time at prices in excess of US $ 1,900 per ounce in 2011. The company had written most of its mineral asset off in 2003 in accordance with accounting convention since no expenditure had been made on the Lovitt mineral properties for several years. The write off was approximately $ 2,000,000 and Directors of the Company believe that the current market value of the mineral interest is considerably in excess of $ 560,761 stated the current audited statement for the year ending March 31, 2019.

Most of the land potentially for sale is carried at 1950's prices of less than $60.00 per acre and some of this land was sold over the past decade at $25,000 to $69,000 per acre to raise capital. The company was able to sell surplus equipment sufficient to carry the basic overhead in past years, but this source of capital has been much reduced with the success of sales to date.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors.

As at September 30, 2019, accounts payable includes $ 660 (March 31, 2019 - $ 660) owed to a director and members of his immediate family and $ 8,493 (March 31, 2019 - $ 8,793) owed to two corporations owned by a director.

As at September 30, 2019, accrued interest payable includes $ 120,840 (March 31, 2019 - $ 107,621) due to a director and members of his immediate family and a corporation owned by the director. Accrued interest payable also includes $ 7,028 (March 31, 2019 - $ 6,645) due to corporations controlled by directors.

As at September 30, 2019, demand loans include loans outstanding of $ 749,239 (March 31, 2019 - $ 716,079) to a director, members of his immediate family, and a corporation owned by a director.

During the six months ended September 30, 2019, the Company was charged $ 60,000 (September 30, 2018 – $ 60,000) for accounting, consulting, salary and benefits, management services, casual labour provided by directors and members of their immediate families, and by a corporation owned by a director of the Company.

During the six months ended September 30, 2019, the Company paid $ 3,407 (September 30, 2018 - $ 3,450) for office rent to a director. Also, during the six months ended September 30, 2019, the Company was charged $ 23,675 (September 30, 2018 - $ 26,565) for interest on the outstanding loans from a director of the Company (and members of his immediate family) and by corporations controlled by management personnel and directors.

Critical Accounting Estimates

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next fiscal year:

(i) Depreciation expense if allocated based on assumed useful life of property, plant, and equipment. Should the useful life differ from the initial estimate, an adjustment would be made in the statement of operations.

(ii) The assessment of any impairment of mineral properties and property, plant, and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful life of assets.

(iii) The cost estimates are updated periodically during the life of a mine to reflect known developments (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations, and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. As at March 31st of 2017 and 2016, there were no decommissioning liabilities.

(iv) The valuation and classification of financial instruments – See Note 10 in the 2019 Annual Statements.

Financial Instruments and Risk Management

New standards and interpretations adopted

The company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of April 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurements ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward looking "expected loss" impairment model. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

See the audited financial statement "New Standards" for a table and more information.

As the standard permits on transition to IFRS 9, the Company has not restated prior periods with respect to the new amortized cost measurement for financial assets and impairment requirements.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit or to the opening deficit on April 1, 2018.

Effective on January 1, 2018, the Company adopted IFRS 15 Revenue from contracts with customers. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The Company recognizes revenue when it transfers control over an asset to a purchaser. Based on the Company's current operations, there was no change in the amount of revenue recognized in the financial statements as a result of adopting IFRS 15.

New standard and interpretation not yet adopted

Please refer to the Audited Consolidated Financial Statements for the year ended March 31, 2019 filed on SEDAR for reference to leases.

The fair value of financial instruments at March 31, 2019 and March 31, 2018 is summarized in Notes to the Audited Consolidated Financial Statement for the year ended March 31, 2019 as filed on Sedar.

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. Cash, and notes receivable are exposed to credit risk due to the potential for counterparties to default on their contractual obligations. The maximum potential loss on all financial instruments is equal to the carrying amount of those items. The Company limits its exposure to credit loss by placing its cash with major financial institutions and dealing with credit worthy parties.

Liquidity risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash, in addition to listing assets that it can sell. The Company intends also to raise additional financing through the issuance of capital and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. See Notes to the audited financial statements.

Interest rate risk

Note payable and demand loans bear interest at fixed rates, or do not bear interest, and therefore do not expose the Company to interest rate cash flow risk.

Foreign exchange risk

The Company is subject to foreign exchange rate risk as the Company incurs transactions and has assets and liabilities denominated in Canadian dollars, whereas the parent and subsidiaries' functional and reporting currency is the U.S. dollar.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's portfolio of properties has exposure to predominantly gold. The price of this commodity will affect the value of the Company and the potential value of its properties.

Capital

The company had 9,324,951 shares outstanding at September 30, 2019, unchanged since 2014. The Company recognizes transaction costs incurred in connection with the issuance of capital as share issuance costs which are netted against gross proceeds from related transactions rather than being expressed as incurred. No equity financings were made, and no shares, warrants or options were issued in the quarter ending September 30, 2019.

Subsequent Events

The company is evaluating the potential acquisition of mineral properties in Western Canada and northeastern Washington State by staking, option, or outright purchase. The company has continued underground exploration and sampling in the Lovitt Gold Mine and has submitted an application to permit a shallow diamond drill program to be followed by a deep diamond drilling program in a future drill permit submission.

The company continues to pursue the possibility of creating further lots on land owned by the Company on the City Limits of Wenatchee, WA not essential to mining. The company intends to raise funds early in 2020 by selling a private placement to generate working capital and to pay for the initial drill program.

Company Contact Information

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