This Management Discussion and Analysis ("MD&A") of NRG Metals Inc. ("NRG" or the "Company") provides analysis of the Company's financial results for the period ended March 31, 2019 should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended March 31, 2019 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS'). All amounts are expressed in Canadian dollars, unless otherwise stated. All documents previously mentioned are available on SEDAR at www.sedar.com. This discussion is based on information available as at May 30, 2019.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about the Company is available at www.sedar.com.

## Description of Business

The Company was incorporated in the Province of Ontario on June 20, 1995. Effective January 15, 2007, the Company was granted a Certificate of Continuation under the Business Corporation Act from the jurisdiction of Ontario into British Columbia. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties. The common shares of the Company are listed on the TSX Venture Exchange ("TSX-V") and trade under the symbol NGZ. To date, the Company has not generated significant revenues from its operations which are considered to be in the exploration stage.

During the period ended March 31, 2019, the Company completed a 4 for 1 share consolidation. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

## Overview

## Exploration

During 2016, management decided to initiate an acquisition strategy for Lithium exploration projects , located in Argentina. Given that Argentina is one of the world's most established lithium production areas, and part of the "Lithium Triangle " ( Chile, Argentina, Bolivia ) in South America, and managements significant experience in Argentina, the strategy appeared attractive. During the year-ended December 31, 2016, the Company executed this strategy, conducting meetings in Argentina regarding potential acquisition, and incorporating a wholly owned subsidiary, NRG Metals Argentina S.A., for this purpose. In addition, the Company entered into management agreements with four highly experienced mining professionals. The NRG Lithium Team is comprised of individuals who have direct experience in exploring for, developing and producing lithium in Argentina. The new team members were integral in the identification and acquisition of lithium exploration projects.

These efforts lead to the first series of lithium acquisitions. The La Borita Claim Group was optioned in August, and the flagship project area the Carachi Pampa Paleo Salar was optioned in September. Focus is currently on the Carachi Pampa Claim Group. This resulted in the transaction being classed as a Fundamental Acquisition by the TSX Venture Exchange and required a trading halt and the completion of a NI 43-101 Technical Report. All requirements were completed in 2016, and the Company returned to trade in 2017.

## The Salar Escondido Lithium Project

Due to uncertainty with management on renegotiating the option agreements, the Company has written the property down to a nominial amount of $1 during the year ended December 31, 2018.

## Hombre Muerto North Lithium Project

In June, 2017, the Company announced that it has entered into an option agreement to purchase the Hombre Muerto North Lithium Project, located in Salta and Catamarca Provinces, Argentina. The property package of 3,287 hectares is comprised of the Alba Sabrina, Tramo, Natalia Maria, Gaston Enrique, Viamonte and Norma Edit concessions, all located in the Salar del Hombre Muerto in northwestern Argentina. Highlights of the Hombre Muerto North Lithium Project Include: 20 surface samples collected in 2016-2017 range from 48 to 1,064 mg/L Li, averaging 587 mg/L Li , with seven samples over 800 mg/Li. Magnesium to lithium ratios range from 1.1:1 to 10.2:1, averaging 4.6:1, which are low by industry standards. Geophysical data indicates zones of low resistivity, interpreted to be potential lithium-bearing zones that are open at depth. Adjacent to Galaxy Resources' Sal de Vida lithium development project and FMC Corp's long-time producing Fenix lithium brine operations. The location of the project and the concessions is shown on the map below. The western part of the Salar del Hombre Muerto is host to FMC's Fenix Mine (~20 km south of the Hombre Muerto North property), which has been producing lithium for over twenty years, and Galaxy Resources is developing its Sal de Vida lithium project in the eastern part of the salar.

In July 2017, the Company had filed an Environmental Impact Study for the Hombre Muerto North Lithium Project as part of the approval process in  Province of Salta. The study requested permission to drill up to six exploratory wells, six pumping test wells, and also for the construction of evaporation test ponds. The Company retained Montgomery and Associates for the completion of a National Insturment 43-101 Technical Report on the Hombre Muerto North Lithium Project, which was completed and filed October 9, 2017 and titled Technical Report for the Hombre Muerto North Lithium Project, Salta and Catamarca Provinces, Argentina. The report recommended a drill exploration program to test the lithium potential of the land package.

## CHEMPHYS STRATEGIC ALLIANCE AND OFF-TAKE AGREEMENT

In October 2017, the Company announced entering into a Letter of Intent ("LOI") with Chengdu Chemphys Chemical Industry Co., Ltd. ("Chemphys') located in Chengdu, China, regarding the further exploration and development of the Hombre Muerto North Lithium Project ("HMNLP"). The LOI also included a Lithium Offtake Sales Agreement and various other terms as discussed below. Terms were subject to regulatory and shareholder approval.

Chemphys was established in 1998, and has since grown into a high-tech enterprise, both ISO9001 and ISO14001 certified. The company specialises in the production of high purity (99.99%) Lithium Carbonate and battery grade Lithium Hydroxide for the manufacturing of cathode materials and electrolytes of lithium ion batteries. Chemphys was one of the first Chinese suppliers to export high purity Lithium Carbonate and battery grade Lithium Hydroxide to leading cathode materials and lithium hexafluorphosphate manufacturers in Japan and South Korea. Chemphys also produces 99.995% Lithium Carbonate which is used to manufacture single crystal substrates for surface acoustic wave and integrated optic devices. In addition, the company produces high purity Lithium Carbonate and Boric Acid for the production of fusion fluxes, Lithium Borates for XRF analysis, and numerous other specialized materials. Chemphys has a strong research and development capability and works closely with customers to develop new materials. Chemphys product is recognized by all major lithium ion battery materials manufacturers and is an integral part of the electric vehicle supply chain.

The purpose of the LOI is to combine the lithium exploration and development expertise of NRG, with the high purity processing expertise of Chemphys. As a part of this process, the two parties intended to complete a private placement as described below for the financing of the HMNLP, which is currently under exploration. The intent is to quickly evaluate the project, and if deemed feasible (upon the completion of exploration and due diligence, and satisfactory studies which may include a Preliminary Economic Assessment), rapidly move the project into production. In addition, NRG has agreed to an off-take agreement with Chemphys for the sale of any lithium produced at HMNLP, board representation and certain anti-dilution provisions and a use of proceeds agreement. At closing, the placement was to represent not less than 15% of the issued and outstanding shares of the Company.

## CHEMPHYS PLACEMENT, CONTROL PERSON, AND OFF-TAKE AGREEMENT

In November of 2017, the Company completed the first tranche of the placement of 2,450,000 units for gross proceeds of CAD $980,000. A Second tranche of the placement was schedule to be completed in the immediate future, upon completion of regulatory approval, and shareholder approval at the December Annual and Special General Meeting.

In December of 2017, at the Annual and Special General Meering of the Company, the disinterested shareholders approved the Chemphys placement, and the creation of a new control person as defined under the B.C. Securities Act. Chemphys became control by way of it's placement via Latam Resources Pty, Ltd.. Subsequent to the meeting, Ms. Alison Dai, Director of Business Development for Chemphys was appointed to the board of directors of the Company. In addition, Mr. Christopher P. Cherry was re-appointed to the board of directors and will continue to serve as chief financial officer.

As announced on November. 16, 2017, the company completed various agreements to give effect to its strategic alliance with Chemphys to advance the exploration and development of the company's Hombre Muerto North lithium project (the HMN project) located in the Salta and Catamarca provinces area where most of the lithium production occurs in Argentina. Included with the strategic alliance is an off-take agreement for any future lithium produced by the company at the HMN project.

## 2018 HOMBRE MUERTO SAMPLE PROGRAM

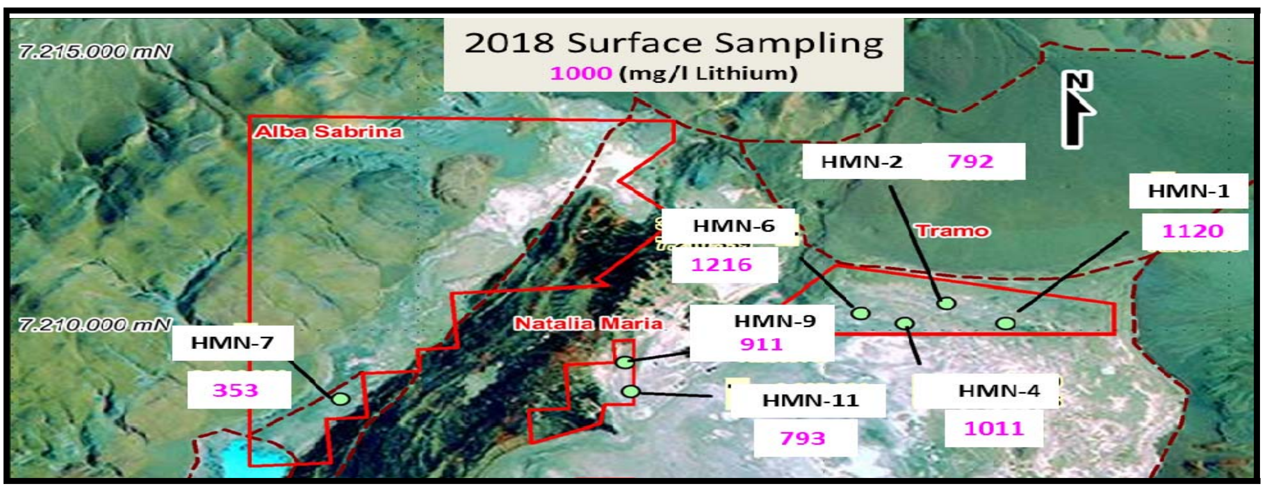
In January of 2018, the Company conducted a Surface simple program at the 3,287 hectare Hombre Muerto Lithium Project, located in Salta and Catamarca Provinces. The sampling was conducted during the second week of January and supervised by Mark Rosko of Montgomery & Associates of Santiago, Chile. Mr. Rosko is a Qualified Person under National Instrument 43-101. Measurements in the field included pH, conductivity, temperature and density, and the field measurements were consistent with the same measurements made in the laboratory. The samples were analyzed by the Alex Stewart laboratory in Jujuy, Argentina. Alex Stewart employed Inductively Coupled Plasma Optical Emission Spectrometry ("**ICP-OES**") as the analytical technique for the primary constituents of interest, including those shown in the table below. Alex Stewart maintains a strict internal QA/QC program employing multiple standards, re-analyses by AA and calculation of ionic balances. Mr. Rosko introduced blanks and duplicate samples for QA/QC, and all QA/QC results corroborate the analyses reported in this press release. The results are summarized in the following table.

| Sample Number | Property | Li (mg/l) | K (mg/l) | Mg (mg/l) | Mg/Li | SO4 |
|---|---|---|---|---|---|---|
| HMN-1 | Tramo | 1120 | 8554 | 3594 | 3.2 | 9158 |
| HMN-2 | Tramo | 792 | 6049 | 2392 | 3.0 | 9627 |
| HMN-4 | Tramo | 1011 | 9236 | 2378 | 2.4 | 7441 |
| HMN-6 | Tramo | 1216 | 10368 | 3718 | 3.1 | 5316 |

| | | | | | | |
|---|---|---|---|---|---|---|
| HMN-7 | Alba Sabrina | 353 | 3059 | 2674 | 7.6 | 10388 |
| HMN-9 | Natalia Maria | 911 | 8857 | 1300 | 1.4 | 8528 |
| HMN-11 | Natalia Maria | 793 | 8870 | 1075 | 1.4 | 7985 |

*HMN-003, HMN-5, HMN-8 and HMN-10 were blanks and duplicate samples that returned acceptable values.*

The Hombre Muerto Norte project is located at the northern end of the prolific Hombre Muerto Salar, adjacent to FMC's producing Fenix lithium mine and Galaxy Resources' Sal de Vida development stage project. The Fenix mine is the largest producing lithium mine in Argentina, and the Sal de Vida project is the largest development stage lithium project in Argentina. The location of the samples is shown on the map below.




## FEBRUARY WARRANT CALL

In February, 2018, management decided in order to provide additional working capital for the 2018 exploration programs, the Company accelerated the expiry date of certain common share purchase warrants issued on Nov. 24, 2016. The warrants were issued in connection with a non-brokered private placement of units, with each warrant exercisable into one common share of the company at a price of 20 cents per share until Nov. 24, 2018. No other warrants were called. The new expiry date was set at March 16, 2018. At the conclusion of the call period, a total of 1,935,000 warrants were exercised for gross procedes of $1,548,000.

## PRIVATE PLACEMENT

In February, the Company announced a $ 1.2 million private placmement of six million units. Each unit consisted of one common share and one transferable common share purchase warrant of the company, with each warrant exercisable for a period of two years from the date of closing at a price of 30 cents per share. The placement closed oversubscribed with 19 placees Accounting for 6,435,000 units, raising gross proceeds totalling $ 1.28 million.

## APRIL COMPLETION OF CHEMPHYS PLACEMENT

In April, the Company closed its second and final tranche of $620,000 in a non-brokered private placement, bringing the total gross proceeds raised to $1.6-million. The company issued 1.55 million units of the company at a price of 10 cents per unit to an affiliate of Chengdu Chemphys Chemical Industry Co. Ltd. Each unit comprises one common share and one transferable common share purchase warrant exercisable for a period of three years from the date of issue at an exercise price of 20 cents per share.

Further to its news release dated Nov. 16, 2017, the company completed the first tranche of a non-brokered private placement raising gross proceeds of $980,000 from the issuance of 2.45 million units of the company on the same terms as the second tranche units.

The proceeds of the private placement will be used to advance the exploration and development of the company's Hombre Muerto North lithium project. The private placement financing was price protected as of Sept. 29, 2017, with the TSX Venture Exchange.

## 2018 EXPLORATION PROGRAM

After carefull planning and the evaluation of all available data, management decided to proceed with drill programs at both the Hombre Muerto North Lithium Project (“ HMN Project ” ), and the Salar Escondido Lithium Project ( “ SE Project ”).

Road and drill pad construction began in March at the HMN Project by OneBorax, a local heavy-equipment contractor. The first road, located at the Tramo claim group, was completed along with drill pad construction. A 15-person camp was installed by Servicios Mineros, which includes insulated buildings, electrical generation and a fuel station supply.

In May, drilling at HMN began. The first phase of drilling involved a core rig provided by AGV Falcon Drilling. The hole was completed to 300 meters by May 24. Samples were taken every 10 meters along the first 100 meters of the hole and sent to Alex Stewart Laboratory in Jujuy for assay. The sampling was conducted with double pakcer equipment. On site QA/QC was directed by Christian Avila of Montgomery and Associates of Santiago, Chile, under the supervisión of Mike Rosko, also of Montgomery and Associates, and a Qualified Person under NI 43-101. For sample evaluation, Alex Stewart employed Inductively Coupled Plasma Optical Emission

Spectometry Analaysis ( “ ICP_OES” ). The ten samples returned an average of 905 mg/L Li with a low Mg to Li ratio of 3.0 to 1.0.

The first core hole at HMN, TH01-02 was completed to a depth of 401 meters by June, and sample results returned a hole average of 900 miligrams per liter lihtium, with a low lithium to magnesium ratio of 3.0 to 1. The sampling was conducted with a single packer and on site QA/QC was directed by Christian Avila of Montgomery and Associates of Santiago, Chile, under the supervisión of Mike Rosko, also of Montgomery and Assoicates, a Qualified Person under NI 43-101. Samples were assayed by Alex Stewart Laboratory of JuJuy, Argentian. Industry best practices were followed. Management were very pleased with the exceptional results and additional samples were sent out for porosity testing.

Based upon the itnitial results of core hole TW01-18, the Company decided to drill a second core hole approximately 2.1 kilometers to the West, TW02-18. AGV Falcon moved their rig from hole number one, to the new location and initiated the second core hole.In addition, it was decided to drill a pumping well. TWW01-19 located adjacent to the first hole. This well was targeted to a depth of 400 meters, with a diameter of 12 inches. Upon completion, the hole was enlarged by reaming to a diameter of 17 inches, and 10 inch perforated pipe was installed. Both the second core hole and the pumping well were completed by July. A pumping well test was intiated.

In August, results from the TWW01-18 72 hour pumping test produced 26 liters per second of brine flow, and was limited only by the size of the pump. Management were very pleased with the results, and further testing is planned with a larger pump. The testwork was designed and monitored by Montgomery and Associates, independet technical consultants from Santiago, Chile.

The second core hole TH18-02 was completed to a depth of 280.8 meters, with samples obtained down to 230.5 meters. The average for the 230.5 length was 638 miligrams per liter lithium, with a low magnesium to lithium ratio of 2.65 to 1. The sampling was conducted with a double packer and on site QA/QC was directed by Christian Avila of Montgomery and Associates of Santiago, Chile, under the supervisión of Mike Rosko, also of Montgomery and Assoicates, a Qualified Person under NI 43-101. Samples were assayed by Alex Stewart Laboratory of JuJuy, Argentian.

Based upon the results from core hole TH18-02, a second pump well TWW18-02 adjacent to TH18-02. The hole was completed to a depth of 281 meters. A 72 hour pump test returned a flow rate of 20 liters per second, with the flow being limited only by the size of the pump.

Based upon the encouraging exploration results, it was decided to complete a NI 43-101 compliant resource study. In November of 2018, NRG issued and filed a technical report titled “Initial Measured Lithium and Potassium Resource Estimate Hombre Muerto North Project, Salta and Catamarca Provinces, Argentina.” The report was completed in accordance with

National Instrument 43-101 Standards of Disclosure for Mineral Projects, on behalf of the Company by independent consultants Montgomery and Associates, of Santiago, Chile.
The NI 43-101 resource statement (see press release October 2, 2018), detailed in Table 1 below, includes 509,000 tonnes (metric tons) of lithium carbonate (Li2CO3) equivalent (LCE) and 1,609,000 tonnes of potash (KCl) equivalent in the Measured Resource category, with an additional 62,000 tonnes of LCE and 231,000 tonnes KCl in the Indicated Resource category. The average grade of lithium for the 571,000 tonne combined Measured and Indicated resource is 756 milligrams/liter lithium, with a low lithium to magnesium ratio of 2.6 to 1.

**Table 1. Hombre Muerto North Lithium Brine Resource Statement**

| Resource Category | Brine Volume (1000 $m^3$) | Li Grade (mg/liter) | Li (tonnes) | $Li_2CO_3$ Equivalent (tonnes) | K Grade (mg/liter) | K (tonnes) | KCl Equivalent (tonnes) |
|---|---|---|---|---|---|---|---|
| Measured | 119,862 | 797 | 96,000 | 509,000 | 7,039 | 844,000 | 1,609,000 |
| Indicated | 21,936 | 534 | 12,000 | 62,000 | 5,517 | 121,000 | 231,000 |
| M+I | 141,798 | 756 | 107,000 | 571,000 | 6,803 | 965,000 | 1,840,000 |

*Tonnages are rounded off to the nearest 1,000. Cutoff grade: 500 mg/L lithium, but no laboratory results were less than the cutoff grade. The conversion used to calculate the equivalents from their metal ions is based on the molar weight for the elements added to generate the equivalent. The equations are Li x 5.3228 = lithium carbonate equivalent and K x 1.907 = potassium chloride equivalent. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability*

Montgomery and Associates recommends that the company further evaluate the project by completing a Preliminary Economic Assessment. Selection of a contractor for this stage of evaluation is underway, and the company expects to award the contract shortly.

## PRELIMINARY ECONOMIC ASSESSMENT

In January of 2019, the Company selected Knight Piesold Consulting ("KP") and JDS Energy and Mining ("JDS"), both of Vancouver, B.C. Canada, to complete a Preliminary Economic Assessment ( " PEA ") of the HMN Project. The PEA was undertaken in accordance with the standards set out in National Instrument 43-101 Standards of disclosure for Mineral Projects (NI 43-101), and, CIM's Best Practice Guidelines for Mineral Processing (BPGMP). Results were received in April of 2019, and are a subsequent event to this M.D.A..

### Highlights of the HMN Project PEA

- US$217 million (CDN$290 million) after-tax Net Present Value at 8% discount rate
- and Internal Rate of Return of 28.0%;
- PEA based on a production rate of 5,000 tonnes of lithium carbonate per year;

- Processing based on simple and proven solar evaporation technology;
- Expected mine life of 30 years with a 3 year ramp up period starting 2021;
- Fully loaded operating cost of US$3,122 per tonne of lithium carbonate;
- Total capital expenditure of US$93 million.

Company President and C.E.O Adrian F.C. Hobkirk is quoted: “We are very pleased that NRG has advanced the HMN Project from discovery to PEA in just under twelve months. The PEA results highlight attractive economics associated with the project, including a smaller environmental footprint and manageable CAPEX. We look forward to taking the HMN Lithium Project to the next stage of development as quickly as possible.

The Preliminary Economic Assessment is preliminary in nature, there is no certainty that the Preliminary Economic Assessment will be realized. The economic analysis is based upon mineral resources that are measured and indicated, but are not mineral reserves, and have not demonstrated economic viability.

Resource Estimate

The resource estimate was prepared in accordance with C.I.M. requirements/definitions and uses best practice methods specific to brine resources, including a reliance on core drilling and sampling methods that yield depth-specific chemistry and effective (drainable) porosity measurements. The resource estimation was completed by independent qualified person Mr. Michael Rosko, M.Sc., C.P.G. of the international hydrogeology firm E.L. Montgomery & Associates (M&A), which was announced in a news release dated October 2,2018, and is summarized as follows:

Capital Costs for the HMN Project

- Description $US Million
- Evaporation Ponds 22.8
- Plant Facilities and Equipment 31.5
- Infrastructure and Other 14.5
- Direct Costs Subtotal 68.2
- Indirect Costs 11.4
- Total Direct and Indirect Costs 79.6
- Contingency @ 17% 13.3
- Total Initial Capital Costs 93.4

Capital Capital costs (CAPEX) have been updated with quotations from current suppliers working in project construction and development in the Puna region of Argentina. CAPEX estimates include an Indirect Cost of 16.6% of Direct Costs, and a contingency of 17% of Total Costs.

Operating Costs for the HMN Project

- Pond Chemicals 8.74
- Salt Removal and Transport 0.78
- Energy 1.08
- Transportation 0.31
- Maintenance 1.20
- Equipment Operation 0.23
- Manpower 2.16
- Catering and Camp Costs 0.36
- Total Direct Costs 14.86
- Indirect Costs
- General and Administrative Local 0.70
- Total Production Costs 15.56

Lithium Pricing for the HMN Project PEA

Lithium prices were based on an average of three years historic pricing and two years forward projections for battery grade lithium. The three-year historic price (to April 2019) is $11,770 /t. Contemporary publicly available reports have published a range of forward pricing that varies between $10,700 to $14,750 /t for the next two years. The median price of $13,400 /t was selected as the forward projected price for each of the next two years. This resulted in a project price assumption of $12,420 /t, which was used as the basis of the study. A range of +/- 20% was evaluated to test the project's sensitivity to price assumptions.

Recovery and Processing for the HMN PEA

The PEA models the extraction of the brine containing the lithium resource by means of multiple extraction wells. The brine will be pumped to a series of pre-concentration and concentration evaporation ponds. Evaporation will increase the lithium content and precipitate or "salt out" species such as Na, K, and Cl. Lime will be added to the pre-concentrated brine to remove bulk impurities such as sulphate as gypsum, which will be physically separated. The final concentrated solution will be stored in lithium surge evaporation ponds then pumped to a hydrometallurgical processing plant to purify the concentrated brine and recover the final product.

The production of lithium carbonate involves the following steps:

- Boron removal using solvent extraction;
- Polishing of the boron-free raffinate in order to remove impurities such as residual
- calcium and magnesium, among others, using sodium carbonate (soda ash) solution,
- Na 2 CO 3 ;
- Lithium carbonate (Li 2 CO 3 ) precipitation ("carbonation") using sodium carbonate
- solution;

- Lithium carbonate purification by re-dissolution with carbon dioxide and re-
- precipitation by desorption;
- Lithium carbonate drying, conditioning and packaging.

It was deemed that the quality of the hydrometallurgical plant-concentrated feed-brine was superior in terms of key impurity to lithium ratios. For this reason, stages such as bulk sulphate polishing (using calcium or barium chloride) were excluded from the process. The need of scavenging precipitation for magnesium using caustic soda was also deemed redundant at this point in time. Instead, a purification circuit was included to ensure adequate purity of the final product, targeted as battery-grade lithium carbonate (99.5% Li2CO3).

Qualified Person Statements
Richard Goodwin, P.Eng., Project Manager for JDS Energy and Mining, Inc., is independent of NRG Metals Inc. and a ‘Qualified Person’ as defined under Canadian National Instrument 43-101. Mr. Goodwin is a mining engineer and study manager with over 30 years of experience managing mining operation and projects in various commodities such as base metals, precious metals, PGMs, and diamonds in various domestic and international locations. Mr. Goodwin is responsible for the PEA results, and approves of the technical and scientific disclosure contained in the above PEA summary.

Alex Mezei, P.Eng, is a ‘Qualified Person’ as defined under Canadian National Instrument 43-101, is responsible for the processing and recovery assumptions used in the preparation of the PEA, which are disclosed in this news release. Mr. Mezei is a Consulting Metallurgist with extensive experience in base, precious, rare and light metals, including lithium, cobalt, graphite, etc. Mr. Mezei is independent of NRG Metals Inc.

The P.E.A. is the first step in moving the HMN Project towards potential development. The process developed for the site is based on conventional, proven technology for brine operations. The project is located with easy access to energy, and on a salar of development activity. Galaxy Resources Ltd. recently sold the land surrounding the HMN Lithium Project to Korean conglomerate POSCO for US$280 million and are continuing to develop their remaining portion of the salar, referred to as the Sal da Vida Project. The project is located in a jurisdiction that is mining friendly (Salta Province), and the Government of Argentina recently announced reducing the corporate tax rate for mining companies to 25% in 2020. The final report is expected to be completed within the next 45 days and filed on SEDAR. Pending completion of the report, the Company intends to rapidly advance the HMN Project to a full feasibility study, and to upgrade the current resource to a reserve.

## Results of Operations

The Company incurred a loss of $356,452 during the period ended March 31, 2019 ("current period"), compared to a loss of $1,755,034 for the period ended March 31, 2018 ("comparative period"). Some of the significant changes for the current period compared to the comparative period are as follows:

Administration fees of $43,292 (2018 - $181,856) were incurred as the Company has been on cost savings measures while awaiting resultings from the PEA. These costs include all office and other costs associated with the operations of the Company.

Consulting fees of $Nil (2018 - $334,452) were incurred as the Company hired and used consultants during the period for various programs. During the comparative period, the Company engaged various consultants to provide services such as website landing page design, content development and digital marketing primarily through Google ads, digital media, corporate advisory, branding and strategic business services to the Company. These activities were minimal in the current period.

Exploration costs of $191,277 (2018 - $391,691) were incurred as the Company was actively exploring properties in Argentina as discussed above.

Share-based payments of $Nil (2018 - $705,884), a non-cash expense was incurred during the comparative period on the granting of 1,375,000 incentive stock options to directors, officers and consultants of the Company.

Travel of $9,384 (2018 - $70,270) decreased in the current period as a result of decreased travel to trade shows and between different business activities of the Company.

## Summary of Quarterly Results

| | Three Months Ended Mar. 31, 2019 | Three Months Ended Dec. 31, 2018 | Three Months Ended Sept. 30, 2018 | Three Months Ended June 30, 2018 |
|---|---|---|---|---|
| Total assets | $ 2,494,542 | $ 1,966,385 | $ 2,297,515 | $ 3,691,300 |
| Evaluation and exploration assets | 2,314,273 | 1,640,823 | 1,657,278 | 1,201,738 |
| Working capital (deficiency) | (1,248,390) | (229,488) | 5285,503 | 2,272,784 |
| Shareholders' equity | 1,065,883 | 1,411,335 | 1,942,781 | 3,474,522 |
| Loss for the period | (356,452) | (374,434) | (2,180,491) | (3,447,483) |
| Loss per share | (0.01) | (0.01) | (0.08) | (0.12) |

| | Three Months Ended Mar. 31, 2018 | Three Months Ended Dec. 31, 2017 | Three Months Ended Sept. 30, 2017 | Three Months Ended June 30, 2017 |
|---|---|---|---|---|
| Total assets | $ 4,856,924 | $ 3,363,925 | $ 561,572 | $ 679,459 |
| Evaluation and exploration assets | 951,738 | 628,512 | 118,820 | 118,820 |
| Working capital (deficiency) | 3,813,511 | 2,380,975 | 255,638 | 398,330 |
| Shareholders' equity | 4,765,249 | 3,009,487 | 374,458 | 517,150 |
| Loss for the period | (1,755,034) | (2,836,732) | (531,562) | (513,386) |
| Loss per share | (0.08) | (0.12) | (0.04) | (0.04) |

## Liquidity and Going Concern

The Company has financed its operations to date primarily through the issuance of common shares, proceeds from related-party loans and the exercise of stock options and share purchase warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company's unaudited condensed consolidated interim financial statements for the period ended March 31, 2019 have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2019, the Company had working capital deficit of $1,248,390 (December 31, 2018 working capital deficit of $229,488) and an accumulated deficit of $41,487,851 (December 31, 2018 - $41,131,399). In addition, the Company has not generated enough revenues to meet its operating and administrative expenses or its other obligations. These circumstances cast significant doubt on the validity of the going concern assumption.

In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its Guyana mineral property, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include the progress and exploration results of the mineral property, the state of international debt, equity and metals markets, and investor perceptions and expectations.

## Contingencies

The Company has no contingencies at the date of this MD&A.

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements at the date of this MD&A.

## Investor Relations

The Company has no investor relations agreements as at the date of this MD&A.

## Related Party Transactions

The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

| | 2018 | 2017 |
|---|---|---|
| Management, exploration and professional fees charged by directors and corporations under their control | $ 62,969 | $ 104,440 |
| Directors' fees | $ 20,250 | $ - |

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

Included in accounts payable and accrued liabilities is $105,815 (December 31, 2018 - $43,565) due to directors, officers and corporations controlled by directors of the Company. The amount due to the related parties has no specific terms of repayment, is unsecured and non-interest-bearing.

The Company received loans of $1,050,000 from companies with directors in common. The loans are unsecured, interest fee and without specific terms of repayment.

## Financial and Capital Risk Management

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, and accounts payable and accrued liabilities and related party loans payable are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments, except for cash which is valued at a level 1 fair value measurement. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the period.

Currency risk

While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company was conducting business in Guyana, whose currency is the Guyanese dollar. As such, it was subject to risk due to fluctuations in the exchange rates for the United States, Canadian and Guyanese dollars. The Company does not manage currency risk through hedging or other currency management tools.

As at March 31, 2019, the Company has accounts payable denominated in US dollars of US$60,000 (December 31, 2018 – US$ 30,000) and cash of US$13,000 (December 31, 2018 - US$100,000). Based on a hypothetical change in the foreign exchange rate between the Canadian and the US dollars of 5% (2018 - 5%), the effect on net and comprehensive loss would be $2,350 (2018 - $3,500).

As at March 31, 2019, the Company has cash denominated in Argentine Peso (2017 - Argentine Peso) of $5,065 (December 31, 2018 – $4,409). Based on a hypothetical change in the foreign exchange rate between the Canadian dollar and Argentine Peso (2018 - Argentine Peso) of 7.5% (December 31, 2018 – 7.5%), the effect on net comprehensive loss would be $340 (December 31, 2018 - $330).

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is no risk associated with receivables as this is Goods and Services Tax ("GST") due from the Canadian Government.

Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2018. Future cash flows from interest income on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms.

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 closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant

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:

*Capital management*

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, contributed surplus and deficit.

The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments payable on demand. This strategy is unchanged from 2017.

The Company is not subject to externally imposed capital restrictions.

## Current Share Data

As at the date of this MD&A, the common shares outstanding are as follows:

| | Number of Shares |
|---|---|
| Balance, May 30, 2019 | 34,692,661 |

As at the date of this MD&A, the Company has 9,566,798 share purchase warrants exercisable between $0.32 and $1.20 per share to April 17, 2021 and no stock options exercisable.

## Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

## Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: evaluation and exploration asset costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.