



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2018

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Prize Mining Corporation (the "Company" or "Prize") for the year ended August 31, 2018, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts included in this MD&A are expressed in Canadian dollars unless otherwise noted. All information contained in this MD&A is current as of February 5, 2019. These documents along with other information related to Prize are available for viewing on SEDAR at www.sedar.com or on the Company's website at www.prizemining.com.

Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. In the preparation of the Financial Statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

DESCRIPTION OF BUSINESS

Prize was incorporated under the *Business Corporations Act* (Alberta) on August 16, 1996. The completion of the acquisition of 1994854 Alberta Ltd ("199") and the April 2017 Financing resulted in the reactivation and graduation of Prize to the TSX Venture Exchange ("TSXV") as a Tier 2 mining issuer effective April 27, 2017. Prior to its reactivation and graduation, Prize did not hold any interest in any mineral projects and had not carried on active business operations for a number of years. The common shares (the "Common Shares") of Prize have been listed for trading on the TSXV since April 27, 2017 under the trading symbol "PRZ". The Common Shares are also listed on the OTCQB under the trading symbol "PRZFF" and on Frankfurt Exchange under the trading symbol MQSP:GR.

Prize's principal business activity is the acquisition, and exploration of mining properties. The following table highlights Prize's acquisitions during the 2017 and 2018 fiscal years. See "Significant Company Events" below for a description of these acquisitions.

Date	Acquired Legal Entity	Project	Location
April 11, 2017	1994854 Alberta Ltd. ⁽¹⁾	Kena Project	South-eastern British Columbia, Canada
July 4, 2017	N/A - asset acquisition	Toughnut Property	South-eastern British Columbia, Canada
December 6, 2017	Scion Mines S.A. de C.V. ⁽¹⁾	Manto Negro Copper Project	State of Coahuila, Mexico

(1) Previously a privately held company.

SIGNIFICANT COMPANY EVENTS

October 2016 Financing

On October 19, 2016, the Company completed the Offering issuing 2,800,000 shares for total proceeds of \$224,000.

199 Acquisition

Effective December 23, 2016, the Company entered into a pre-acquisition agreement (the "Pre-acquisition Agreement") with 199 pursuant to which the Company agreed to make an offer to acquire all of the outstanding shares of 199 on a one-for-one share exchange basis (the "199 Acquisition"). The sole asset of 199 was an option to earn an 80% interest in Kena and Daylight Gold-Copper Properties (the "Kena Project") located in the Nelson area of south-eastern British Columbia, Canada by making annual cash and share payments and completing \$3,000,000 in Kena Project related exploration expenditures over four years (the "Kena Option").

The Kena Project covers approximately 8,000 hectares of mineral claims and has been assigned estimated indicated mineral resources of 24,890,000 t at 0.60 g/t Au (481,000 oz Au) and estimated inferred mineral resources of 85,790,000 t at 0.48 g/t Au (1,318,000 Au). The Kena Project consists of the Kena Gold, Gold Mountain and Copper King showings together with the historic Euphrates and Gold Cup gold mines. The Daylight Property is a contiguous land package located in the northwest corner of the Kena Project and is the location of the historic Daylight, Starlight, Victoria and Great Eastern gold mines.

On April 11, 2017, the Company completed its acquisition of 1994854 Alberta Ltd. ("199"). 199 entered into an option agreement with Apex pursuant to which it has an option (the "Option") to earn an 80% interest in Apex's Kena and Daylight properties located in the Nelson area of British Columbia, Canada. The Option has a term of 4 years commencing from October 3, 2016 (the "Effective Date"). The obligations and rights of 199 under the Option have been assigned to the Company. To exercise the Option and earn its 80% interest in the Kena Project, the Company will:

- i. make the following cash option payments to Apex, for total cash option payments of \$1,250,000:
 - a. \$500,000 within 5 business days from the Effective Date, (paid by 199 prior to Acquisition)
 - b. an additional \$250,000 within twelve months from the Effective Date (paid October 4, 2017);
 - c. an additional \$250,000 within twenty-four months from the Effective Date (paid September 28, 2018); and
 - d. an additional \$250,000 within thirty-six months from the Effective Date;
- ii. issue common shares to Apex as follows, for a total of 1,500,000 shares:
 - a. 375,000 shares within 5 business days from the Effective Date (issued by 199 prior to the Acquisition);
 - b. an additional 375,000 shares within twelve months from the Effective Date, (issued with value of \$106,876);
 - c. an additional 375,000 shares within twenty-four months from the Effective Date (issued subsequently); and
 - d. an additional 375,000 shares within thirty-six months from the Effective Date.
- iii. incur exploration expenditures on the Kena Project of \$3,000,000 as follows:
 - a. \$100,000 within twelve months from the Effective Date (completed);
 - b. an additional \$400,000 within twenty-four months from the Effective Date (completed);
 - c. an additional \$1,000,000 within thirty-six months from the Effective Date, and
 - d. an additional \$1,500,000 within forty-eight months from the Effective Date,

After earning its 80% interest in the Kena-Daylight Project, the Company has a second option to earn and acquire up to an additional 20% undivided interest in the Kena-Daylight Project by making a \$2,000,000 cash payment to Apex and granting a 1% net smelter returns royalty (the "NSR Royalty") on the Kena-Daylight Project to Apex on or before the date that is 180 days following the date of exercise of the 80% option. 199 has the right to purchase one half of the 1% NSR for a purchase price of \$5,000,000 on or before the date in which commercial production commences. If the 20% option is not exercised, 199 and Apex will establish an 80:20 joint venture for the further management, exploration and development of the Kena-Daylight Project.

April 2017 Financing

On April 11, 2017, the Company issued 14,285,285 units (the "Units") at a price of \$0.35 for proceeds of \$4,999,850 and 2,222,444 Common Shares (the "Flow-Through Shares") issued on a flow-through basis under the *Income Tax Act* (Canada) at a price of \$0.45 for proceeds of \$1,000,010. Each Unit comprised one Common Share of the Company and one half of one Common Share purchase warrant (each a "Warrant"). Each whole Warrant was initially exercisable into one Common Share (the "Warrant Share") at a price of \$0.75 per Warrant Share for a period of 24 months from the closing date of the Offering (the "Warrant Expiry Date"), provided that if, at any time after August 12, 2017, the closing price of the outstanding Common Shares on the TSXV is greater than \$0.85 for a minimum of 10 consecutive trading days (whether or not trading of the common shares occurs on such days, provided that the common shares trade on at least five of such trading days), the Warrants will be subject to an accelerated expiration at the option of the Company, triggered by the Company providing the holder with notice of such accelerated expiration (the "Early Termination Notice"). Upon delivery of the Early Termination Notice, the Warrants shall expire at 5:00 p.m., Calgary, Alberta time, on the 30th calendar day after giving the Early Termination Notice.

The exercise price of the 7,142,642 Warrants was subsequently reduced from \$0.75 to \$0.50 per share. Further, the trading price that triggers an accelerated expiry date for the Warrants was also reduced from \$0.85 to \$0.65, such that if the closing price of the Common Shares exceeds \$0.65 on the TSXV for 10 consecutive trading days (whether or not trading of the Common Shares occurs on such days, provided that the Common Shares trade on at least five of such trading days), the Warrants will be subject to an accelerated expiration at the option of the Company, triggered by the Corporation providing the holder with an Early Termination Notice. Upon delivery of the Early Termination Notice, the Warrants shall expire at 5:00 p.m., Calgary, Alberta time, on the 30th calendar day after giving the Early Termination Notice.

Listings

The completion of the 199 Acquisition and the April 2017 Financing resulted in the reactivation and graduation of Prize to the TSXV as a Tier 2 mining issuer effective April 27, 2017. The Common Shares have been listed for trading on the TSXV since April 27, 2017.

On May 9, 2017, the Company announced the listing of the Common Shares on the Frankfurt & XETRA Stock Exchange under the symbol MQSP.

On October 12, 2017, the Company announced that it has secured DTC Eligibility for its Common Shares.

Toughnut Property

On June 21, 2017, the Company entered into an option agreement to acquire 100% interest in the Toughnut Property, located in south-eastern British Columbia (the "Toughnut Option"). The 1,010 hectare Toughnut Property lies contiguous to the west side of Prize's Daylight Property. The Toughnut claims strategically cover over 3.5 kilometer strike length of the Silver King shear including most of the mineralized land between Prize's main Starlight-Daylight block and Prize's Sand block to the northwest. To exercise the Toughnut Option and acquire the Toughnut Property, the Company must, on an aggregate-basis, pay \$150,000, issue 250,000 Common Shares, and incur \$750,000 of exploration expenditures over a five-year period. The Toughnut Property is subject to a 2 % NSR on its acquisition by the Company. The Company has the right to purchase one-half of the 2% NSR for the purchase price of C\$2,000,000 on or before the date on which commercial production commences. Option payments of \$60,000 and 100,000 Common Shares to the optionors of the Toughnut Property have been made.

Manto Negro Copper Project

On December 5, 2017, the Company completed the acquisition of Scion Mines S.A. de C.V. ("Scion.") and now indirectly owns a 100% interest in the Manto Negro Copper Project, which consists of seven mining concessions covering a total of 17,959 hectares and is located in the State of Coahuila approximately 315 km northwest of Monterrey, Mexico and 100 km west of Monclova. The Company issued 6,000,000 Common Shares in exchange for all of the shares of Scion. These Common Shares are subject to a 3-year lock-up and restricted resale period during which they may not be sold or otherwise transferred. Ten percent of these Common Shares will be released from the lock-up upon closing of the transaction and an additional 15% will be released on each of the 6, 12, 18, 24, 30 and 36-month anniversaries of the closing date. The Company has agreed to issue up to an additional 6 million Common Shares (the "Bonus Shares") to Scion's shareholders upon the satisfaction of the following conditions:

- 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 500 million pounds.
- 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 750 million pounds.
- 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 1 billion pounds.

December 2017 Financing

On December 13, 2017, the Company completed a non-brokered flow-through private placement financing for proceeds of \$1,150,000. The private placement consisted of the sale of 2,300,000 units at the price of \$0.50 per unit. Each unit consisted of one Common Share issued on a flow-through basis for the purposes of the *Income Tax Act* (Canada) and one-half Common Share purchase warrant. Each full warrant entitles the holder to purchase one Common Share at a price of \$0.65 per share for a period of 24 months from the closing date of the private placement. The proceeds of the private placement will be used by Prize to continue its drilling program on both the Daylight and Toughnut Properties in 2018. The exercise price of the 1,150,000 Common Share purchase warrants was subsequently reduced from \$0.65 to \$0.50 per share.

Fourth Quarter 2018 Financing

On July 4, 2018, the Company issued 43,333,333 units at a price of \$0.15 per unit for aggregate gross proceeds of \$6,500,000. Each unit consisted of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.25 per share for a period of twelve months from the closing date of the offering.

In August 2018, the Company issued 17,650,365 units at a price of \$0.15 per unit for aggregate gross proceeds of \$2,647,555 in three separate closings. Each unit consisted of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.25 per share for a period of twelve months from the closing date of the offering.

Director and Officer Changes

On September 1, 2016, Anthony Jackson was appointed as Chief Financial Officer for the Company. On April 11, 2017, David Schmidt was appointed as a director of the Company. Mr. Schmidt was the sole director and officer of 199. On April 27, 2017, Bryson Goodwin resigned as the Company's President and as a director of the Company. Feisal Somji was appointed as the Company's President and Daniel Kenney was appointed the Company's Corporate Secretary. On July 5, 2017, the Company appointed Michael McPhie as director.

Effective January 4, 2018, Timothy Bergen resigned as a director of the Company. The Company appointed Raul Ramirez Morton as a director effective January 11, 2018. Effective February 1, 2018, Michael McPhie, a Director of the Company, has stepped into the President and CEO position while Feisal Somji has taken on the Executive Chairman role. In addition, on January 31, 2018, Anthony Jackson stepped down as CFO and Tom Pierce was appointed CFO effective February 1, 2018. On March 20, 2018, the Company appointed Robert Archer as a director.

Effective December 27, 2018, Feisal Somji, David Schmidt and Robert Archer resigned as directors and Dallas Pretty was appointed as a director of the Company.

Effective December 31, 2018, Dallas Pretty resigned as a director and Jose Avina was appointed as a director of the Company.

MINERAL PROPERTIES

Prize's portfolio of mineral properties are located in Canada and Mexico. The following section discusses Prize's mineral properties. As at August 31, 2018, the Company has capitalized the following acquisition, exploration and evaluation costs to its mineral properties.

Exploration and evaluation assets

	Kena- Daylight	Toughnut	Canada Total	Mexico Manto Negro	2018 Total	2017 Total
Acquisition Costs						
Balance, beginning	\$ 9,817,342	\$ 63,500	\$ 9,880,842	\$ -	\$ 9,880,842	\$ 9,880,842
Incurred	356,875	38,000	356,875	2,100,000	2,456,875	-
Balance, ending	\$10,174,217	\$ 101,500	\$ 10,275,717	\$ 2,100,000	\$ 12,375,717	\$ 9,880,842
Deferred Exploration Costs						
Balance, beginning	\$ 210,697	\$ 1,832	\$ 212,529	\$ -	\$ 212,529	\$ -
Drilling	374,374	616,402	990,776	-	990,776	1,158
Equipment rental	40,014	62,515	102,529	421,810	524,339	21,298
Geological & Geophysical	83,778	48,131	131,909	153,574	285,483	40,851
Project prep & support	7,603	19,013	26,616	81,215	107,831	29,029
Sampling & analysis	142,425	143,950	286,375	7,337	293,712	97,943
Travel & accommodations	26,832	52,122	78,954	39,151	118,105	14,668
Report & data compilation	7,482	39,552	47,034	125,189	172,223	7,582
Environmental consulting	-	-	-	8,461	8,461	-
Taxes on mineral claims	-	-	-	381,484	381,484	-
Land rental payments	-	-	-	51,221	51,221	-
Camp costs & field expenses	-	-	-	67,492	67,492	-
Miscellaneous	-	-	-	32,422	32,442	-
Balance, ending	\$ 893,205	\$ 983,517	\$ 1,876,722	\$ 1,369,376	\$ 3,246,098	\$ 212,529
Total exploration & evaluation	\$ 11,067,422	\$ 1,085,017	\$ 12,152,439	\$ 3,469,376	\$ 15,621,815	\$ 10,093,371

Kena Project - British Columbia, Canada

The Company acquired the Kena Option through the 199 Acquisition. The Company has the right to earn up to a 100% undivided interest in the Kena Project under the Kena Option.

An amended technical report for the Kena Project entitled "Technical Report for the Kena Project, Nelson, BC" dated June 2, 2017 (the "Technical Report") prepared for Prize by Vivian Park, P. Geo., VPG Geosciences, and Gary H. Giroux, P.Eng. of Giroux Consultants Limited (Ltd.) was filed by the Company on SEDAR on June 7, 2017 and is available under the Company's SEDAR profile. The Kena Project has been assigned estimated indicated mineral resources of 24,890,000 t at 0.60 g/t Au (481,000 oz Au) and estimated inferred mineral resources of 85,790,000 t at 0.48 g/t Au (1,318,000 Au). These resources are in respect of the Kena Property, using gold intercepts from 176 drill holes in the Gold Mountain, Kena Gold and High-Grade zones and was prepared according to CIM 2014 guidelines.

The Kena Project also has a copper porphyry target that remains untested by exploration.

The Company's 1,550-hectare contiguous Daylight Property, located on the northwest corner of Prize's Kena Project, has various high-grade gold showings and four historical mines.

The four historical mines situated on the Daylight Property have historical grades as set out below.

- Great Eastern mine area with historical grades of 37.53 g/t gold and 52.2 g/t silver (B.C. Minfile 082FSW172).
- Starlight mine area with historical grades of 28 g/t gold and 140 g/t silver (B.C. Minfile 082FSW174).
- The Daylight mine area with historical grades of 27 g/t gold and 15 g/t silver (B.C. Minfile 082FSW175).
- Victoria mine area with grades reported of 28.9 g/t silver and 2.56 per cent copper (B.C. Minfile 082FSW173).

Historical mining on these mines took place in the early 1900s. Based on the Company's understanding of historical practices, it is likely that hand sorting of ore took place and that the actual grades varied.

Toughnut Property - British Columbia, Canada

The Company has the option to acquire a 100% interest in the Toughnut Property, located in south-eastern British Columbia. The 1,010 hectare Toughnut Property lies contiguous to the west side of Prize's Daylight Property. The Toughnut claims strategically cover over 3.5 kilometres of strike length on the Silver King shear, including most of the mineralized land between Prize's main Starlight-Daylight block and Prize's Sand block to the northwest.

The Toughnut Showing (MF 092FSW294) which includes old pits, shafts and trenches had grab samples from Pacific Sentinel in 1989 that returned 6.64 g/t, 8.65 g/t, and 32.8 g/t Au with associated silver ranging between 33 and 175 g/t Ag. Follow up diamond drilling by Valterra Resources in 2010 returned a best intercept of 6.9 g/t Au and 143 g/t Ag over 2.0m, and 4.05 g/t Au over 8.0m in hole VTN10-005.

The Gold Eagle Showing (no recorded Minfile) located 500m north of the Toughnut Showing was drilled by US Borax in 1988 who reportedly returned a strongly anomalous intercept of 90 g/t Au over 1.53m (RC hole S88-43) (AR 19503). In 2010 Valterra Resources also drilled the property with its best results being 4.02 g/t Au and 9.52 g/t Ag over 24.33m (inc. 4.0m of 14.47 g/t Au and 3.46 g/t Ag). The zone has been tested to 73m and remains open and along strike and down dip.

A three-phase exploration program was undertaken on the Toughnut Property in the 2017 field season. Based on the results of the 2017 field program, an exploration diamond drilling program was conducted on the Toughnut claims in 2018 and tested four zones of interest along the Silver King shear system. The 2018 program was finished in October 2018 and drilling results were announced in fiscal Q1 2019.

Manto Negro Copper Project, Coahuila, Mexico

Acquired through the acquisition of Scion completed on December 6, 2017, the Company indirectly owns a 100% interest in the Manto Negro Copper Project, which consists of seven mining concessions covering a total of 17,959 hectares and is located in the State of Coahuila approximately 315 km northwest of Monterrey, Mexico and 100 km west of Monclova.

The Manto Negro Copper Project has been the subject of exploration programs consisting of drilling, sampling and trenching over the past number of years and is considered to be a brownfield project. In addition, prior operators have constructed roads on the Manto Negro Copper Project which will facilitate future exploration and development programs.

At least 35 showings on the Project have been the subject of the historical work, including metallurgy. The grades of historical sampling, trenching and drilling range from 0.73% to 5.55% Cu, 19 to 793 g/t Ag, 1.5 to 15% Pb and 0.3 to 3.64% Zn.

The Manto Negro Copper Project is identified as a sediment-hosted stratabound Cu-Ag (+/- Pb-Zn) deposit analogous to the Kupferschiefer Copper Belt. The Manto Negro Copper Project area is hosted by Cretaceous carbonates and sandstones with exposures of mineralization being identified in numerous locations occurring in concordant layers ranging from 2 to 15 metres thick. Exposures of this mineralization have been identified over the 50-kilometre length of the Project running northwest-southeast along the Sierra San Marcos y Pinos mountain range. The regulatory and community environment for the Manto Negro Copper Project is favorable and exploration access agreements for the exploration and development of the project are already in place with local communities.

The Phase 1 mapping and sampling exploration program commenced in January 2018 on the Manto Negro property and in September 2018 the Phase II program consisting of 3,000 meters of diamond drilling, 3D modeling of drill intersections and artisanal underground workings, a property-scale GIS compilation incorporating all sampling to date and preliminary metallurgical test work began.

Daylight and Toughnut Properties 2017 Exploration Program

In July 2017, the Company announced the completion of its Phase 1 exploration program on the Daylight and Toughnut Properties completing a total of 1,289 soil samples over 32.23 line kilometres and increasing the density of soil samples in both properties to 50 metres by 25 metres. In addition, 326 grab and composite rock samples were collected.

In August 2017, the Company announced the results of the sampling program which included an 8,009 ppb (8g/t) Au soil sample on the Daylight-Starlight Trend, and rock samples showing as high as 20.6 g/t Au and 188 g/t Ag from the Toughnut adit.

A statistical analysis of the 4,152 historical results was carried out in August 2017 and indicates the historical gold grades are of comparable quality with the 2017 results. The net combined database, comprising 5,418 soil sample results has been utilized to define 41 gold soil anomaly targets on the Toughnut and Daylight Properties.

In September 2017, the Company announced an expanded program on the Daylight and Toughnut Properties increasing the number of soil and rock samples collected as well as the number of ground geophysical line kilometres surveyed. The Company also announced the start of an environmental baseline study with a long-term view towards potential mine planning.

In November 2017, the Company announced that it had completed its initial drilling program on the Daylight Property. A total of 18 diamond drill holes were completed totaling 2,694.74 metres from 11 drill pad locations, with encouraging assay results obtained. A second drilling program was carried out on the first of four high-priority targets on the Toughnut Property in November and December 2017, with a total of 11 diamond drill holes totaling 1,730 meters of diamond drilling on 7 drill pads, including one helicopter pad.

Highlights from the first two drilling programs at Daylight included:

- Hole DL17005 on the Great Western zone intersected a 0.9 metre interval which assayed 63.7 g/t gold encountered at 46.4 metres depth. Above this interval, results returned 32.6 metres of 1.16 g/t gold, including 0.5 metres of 20.9 g/t gold, 0.79 metres of 11.6 g/t gold and 0.6 metres of 10.3 g/t gold.
- Hole DL17007 on the Great Western zone intersected a 71.22 metre interval of 1.09 g/t gold at 74.28 metres, including 0.5 metres of 7.36 g/t gold and 4.91 metres of 4.39 g/t gold with a 0.48 metre spike of 21.2 g/t gold.
- Hole DL17016 on the Daylight zone intersected a 5 metre intercept of 2.76 g/t gold, including 1 metre of 5.77 g/t gold.

Manto Negro 2018 Exploration Program

A December 2017 sampling campaign was conducted as a first-pass evaluation of some of the more prominent exposures of copper on the property. Highlights included 2.61% Cu and 212 g/t Ag over seven metres from the Pilar Grande Mine, 5.53% Cu and 711 g/t Ag across 0.30 metres from Level 4 of the Pilar Grande Mine and 45.5% Cu and greater than 1,500 g/t Ag across 0.25 metres at Los Ojitos.

Mapping and sampling continued through the first half of calendar 2018, with results continuing to demonstrate consistent and strong copper grades and widths in the main showing areas. With almost 18,000 hectares of prospective ground and more than 35 known showings, the Company continued to work to confirm the district-scale potential of the Manto Negro Project.

Subsequent to year-end in September 2018, the Company announced the commencement of the Phase II exploration program, which will consist of approximately 3,000 metres of diamond drilling, 3D modeling of drill intersections and artisanal underground workings, a property-scale GIS compilation incorporating all sampling to date and preliminary metallurgical test work. The Company has also retained the engineering and geological consulting firm, Stantec Consulting Ltd. to complete a regional and property-scale data compilation.

Toughnut 2018 Exploration Program

In July 2018 an exploration drilling program commenced on the Toughnut Property focusing on targets contained within the Silver King Shear system. The Phase I program totaling 2,531 metres in 13 holes was designed to test the Toughnut Ridge zone. The Phase II program commenced in September 2018 and consisted of 1355 metres of drilling in 7 holes that focussed on testing two target areas: the Gold Eagle showing and the Toughnut Crown Grant workings. Results from both 2018 drilling phases were announced in December 2018.

SELECTED ANNUAL INFORMATION

The following is a summary of selected audited financial information of the Company for the last three completed fiscal years.

	Year Ended August 31, 2018	Year Ended August 31, 2017	Year Ended August 31, 2016
Total revenues	\$ -	\$ -	\$ -
Income (Loss) and comprehensive income (loss)	(7,329,451)	(2,684,524)	(844,882)
Earnings (Loss) per share - basic and fully diluted	(0.11)	(0.12)	(0.31)
Cash and Cash Equivalents	2,433,373	2,850,157	10,122
Mineral Properties	15,621,815	10,093,371	-
Total assets	19,905,202	13,939,060	105,071
Working capital (deficiency)	3,594,552	2,977,292	(247,776)
Total long-term liabilities	-	-	-
Shareholders' equity (deficiency)	\$ 19,488,624	\$ 13,643,506	\$ (192,987)

During the period commencing September 1, 2016 and ending April 11, 2017, the Company had no mineral properties or assets other than cash, marketable securities and loan receivable. During this period, the Company's activities were focused on the identification and evaluation of business assets with a view to the acquisition of same. On April 11, 2017, the Company completed the 199 Acquisition and the April 2017 Financing. The Company acquired the Toughnut Option in June 2017 and commenced exploration activities on the Daylight and Toughnut Properties in June 2017. The Company acquired Scion in December 2017 and commenced exploration activities on the Mexican properties in January 2018. Subsequent to the 2018 year-end a drilling program commenced at Manto Negro. In addition, a drilling program was started on the Toughnut property in Q4 2018 and was ongoing at year-end.

To date, the Company has not yet realized profitable operations and has relied on debt and equity financings and trade credit to fund the losses. The Company will require additional financing to continue in business and there can be no assurances that such financing will be available or if available, will be on reasonable terms.

Net Loss

The Company generated a net loss and comprehensive loss of \$7,329,451 (2017 - \$2,684,524) during the year ended August 31, 2018. The net loss reflects general and administrative expenses of \$3,541,944 (2017 - \$2,711,725), settlement of flow-through premium liability of \$431,427 (2017 - \$43,895), provision for prepaid expenses of \$4,260,000 (2017 - \$Nil) and an unrealized gain on marketable securities of \$19,747 (2017 - loss of \$19,916). For the year ended August 31, 2017 the net loss reflects an unrealized loss on marketable securities of \$19,916, impairment of accounts receivable of \$23,192 and an increase consulting fees, business development and investor relations. In the year ended August 31, 2016, the net loss reported reflects a loss on settlement of accounts payable by marketable securities of \$253,571 and a loss on marketable securities of \$227,840.

The Company reported general and administrative expenses for the year ended August 31, 2018 of \$3,541,944 (2017 - \$2,711,725). The increase in general and administrative expenses during the period was largely attributed to higher investor relations and share-based payments. Investor relations expenses of \$840,420 are made up of services provided for marketing and investor relations services, conferences, news and media consultants and travel expenses, as well as US and Canadian marketing/investor relations companies for our local shareholders.

The increase in general and administrative expenses for the year ended August 31, 2018 was also a result of the Company transitioning to a functioning exploration company in April 2017. With the acquisition of properties in British Columbia and Mexico, and the active exploration programs ongoing, the administrative functions have increased due to additional manpower and consultants, fund raising activities and other administrative costs related to ongoing public company functions.

Cash

Cash decreased by \$416,784 in the year ended August 31, 2018 to \$2,433,373, as cash from financing activities was more than offset by cash used in operating and investing activities. At August 31, 2017, Cash increased by \$2,840,035 during the period from September 1, 2016 to August 31, 2017 to \$2,850,157. The increase in cash was primarily due to private placements of \$6,223,950 partially offset by cash used in operating and investing activities during the periods.

Total Assets

Total assets increased by \$5,966,142 to \$19,905,202 in the year ended August 31, 2018. The acquisition of Scion, ongoing investment in the mineral property portfolio and investment in prepaid expenses related to the Company marketing and investor relations program all contributed to the increase. Total assets increased by \$13,833,989 between 2017 and 2016. Following continued investment in the mineral property portfolio throughout 2017, other notable increases in total assets were a result of the \$6,223,950 private placements completed in April 2017 and in October 2016, (2016 - \$55,000), and the addition of other assets such as exploration and evaluation of assets and receivables included as part of the acquisitions.

Dividends

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

SUMMARY OF QUARTERLY RESULTS

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

2018 Fiscal Year

	August 31, 2018	May 31, 2018	February 28, 2018	November 30, 2017
	\$	\$	\$	\$
Total revenues	-	-	-	-
Loss and comprehensive loss	(4,796,364)	(908,524)	(891,381)	(733,182)
Total assets	19,905,202	15,509,345	16,020,216	13,348,220
Working capital	3,594,552	341,431	1,133,827	1,812,000
Shareholders' equity	19,488,624	15,049,865	15,495,642	13,105,946
Net loss per share – basic and fully diluted	(0.11)	(0.02)	(0.02)	(0.01)

2017 Fiscal Year

	August 31, 2017	May 31, 2017	February 28, 2017	November 30, 2016
	\$	\$	\$	\$
Total revenues	-	-	-	-
Loss and comprehensive loss	(1,623,870)	(834,610)	(93,272)	(142,772)
Total assets	13,939,060	16,481,756	279,490	128,139
Working capital (deficiency)	2,977,292	4,454,939	(148,376)	(180,005)
Shareholders' equity (deficiency)	13,643,506	16,263,823	(79,930)	(125,194)
Net income (loss) per share – basic and fully diluted	(0.03)	(0.02)	(0.03)	(0.03)

The net loss for the period ended November 30, 2017 is largely attributed to general and administrative expenses of \$906,697 partially offset by the settlement of flow through liability of \$172,865. The net loss for the period ended February 28, 2018 was largely attributed to general and administrative expenses of \$1,005,008, partially offset by the settlement of flow through liability of \$78,163 and the unrealized gain on marketable securities of \$32,583. The net loss for the period ended May 31, 2018 of \$908,524 consisted primarily of general and administrative expenses of \$915,395.

The net loss for the period ended November 30, 2016 is largely attributed to general and administrative expenses of \$118,144, unrealized loss on marketable securities of \$13,694 and extinguishment of accounts receivable of \$11,442. The net loss for the period ended February 28, 2017 is largely attributed to general and administrative expenses of \$93,272, unrealized gain on marketable securities of \$19,620 and extinguishment of accounts receivable of \$11,750. The net loss for the period ended May 31, 2017 is largely attributed to general and administrative expenses of \$812,360, unrealized loss on marketable securities of \$23,008.

RESULTS OF CONTINUING OPERATIONS AND FINANCIAL CONDITION

	Three months ended August 31,		Year ended August 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
General and Administrative Expenses				
Accounting and audit expense (recovery)	(41,000)	20,000	76,253	72,886
Administration	85,000	9,000	125,000	32,000
Business development	84,184	25,333	84,184	93,084
Consulting fees	22,500	60,000	176,506	284,000
Depreciation	2,141	-	8,564	-
Interest and bank charges	1,142	790	3,318	3,065
Investor relations	45,295	477,004	840,420	728,438
Legal	8,120	15,602	103,648	53,790
Management and Directors fees	100,000	42,500	376,975	127,000
Office and miscellaneous	5,725	23,673	79,739	83,386
Property investigation costs	-	47,262	6,447	47,262
Rent	27,300	15,903	57,497	23,930
Shareholder communications	12,273	12,324	36,728	12,917
Stock based payments	386,523	896,323	1,409,835	896,323
Transaction costs	(42,792)	7,835	19,489	135,950
Transfer agent and regulatory fees	6,112	9,288	58,784	79,621
Travel and related costs	27,444	24,885	78,557	38,073
	(729,967)	(1,687,722)	(3,541,944)	(2,711,725)
Settlement of flow-through liability	168,862	(43,895)	431,427	(43,895)
Provision for prepaid expenses	(4,260,000)	-	(4,260,000)	-
Interest income	1,667	(4,952)	11,812	(8,576)
Gain on extinguishment of accounts payable	-	(17,838)	-	(17,838)
Impairment of accounts receivable	-	2,833	-	23,192
Foreign exchange gain	24,630	-	(9,507)	-
Unrealized loss on marketable securities	(1,556)	-	(19,747)	19,916
	(4,066,397)	(63,852)	(3,787,507)	(27,201)
Net loss and comprehensive loss for the period	(4,796,364)	(1,623,870)	(7,329,451)	(2,684,524)

For the three months and year ended August 31, 2018, comprehensive losses were \$4,796,364 and \$7,329,451 respectively, compared to \$1,623,870 and \$2,684,524 for the three and twelve months ended August 31, 2017. Stock based payments are lower in the current fiscal fourth quarter due to the expense being booked during the course of the year versus all in the fourth quarter in 2017.

The significant variations between Q4 2018 and Q4 2017 largely relate to the provision for prepaid expenses for several twelve-month consulting agreements that were entered into in Q4 2018.

During the quarter ended August 31, 2018, the Company entered into agreements, for one year periods, with several parties for advertising, marketing, investor relations, M&A financial advisory and other consulting services with contract values totaling \$5,380,000. The fees under these agreements were paid in July 2018 and no amounts were recognized as expenses for the year ended August 31, 2018. Several of these parties also subscribed to the private placement completed by the Company in July 2018.

Subsequent to year end the British Columbia Securities Commission issued a temporary cease trade order and notice of hearing for several of the parties which the Company had service agreements with and had subscribed to the private placement completed by the Company in July 2018. This provided uncertainty regarding the ability and intent of the service providers to continue fulfilling their obligations. As such, the Company cancelled service agreements, totaling \$5,380,000, and requested repayment of funds for services not rendered. Repayment of \$1,120,000 was received subsequent to year end and the remaining prepaid amount of \$4,260,000 has been fully provided for and recorded as a provision. In the future, should the Company recover any further amounts from the parties, such amounts will be recorded as a recovery.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

	Year ended August 31,	
	2018	2017
CASH PROVIDED BY (USED IN):	\$	\$
Operating Activities	(7,479,046)	(2,396,740)
Investing Activities	(2,809,596)	(592,913)
Financing Activities	9,871,858	5,829,688
Change in cash	(416,784)	2,840,035
Cash beginning	2,850,157	10,122
Cash ending	2,433,373	2,850,157

The decrease in cash from September 1, 2017 to August 31, 2018 was the result of the cash provided from financing activities being more than offset by cash used in operating and investing activities. The increase in cash from September 1, 2016 to August 31, 2017 was primarily due to the cash provided from the April 2017 financing partially offset by the cash used in operating and investing activities.

Operating Activities

Cash used in operating activities increased by \$5,082,306 to \$7,479,046 during the year ended August 31, 2018 compared to the same period in 2017. The increase was primarily due to increased general and administrative expenses, increased share-based payments, increased prepaid expenses and receivables, partially offset by and increase in the settlement of flow through liabilities and an increase in accounts payable.

The decrease in prepaid expenses of \$333,054 is a result of provision for prepaid expenses for several twelve-month consulting agreements that were entered into in Q4 2018, that relate to ongoing marketing, advertising, investor relations, corporate development and financial advisory services that were paid in full at the beginning of the contracts. The Company has recognized a provision to prepaid expenses of \$4,260,000.

Cash used in operating activities was \$2,396,740 during the year ended August 31, 2017 compared to the same period in 2016. The increase in cash used was primarily due to the settlement of various liabilities associated with acquisitions, settlement of accounts payable with related parties increased consulting services and costs related to increased expenditures following the Company's growth.

Investing Activities

Cash used in investing activities was \$2,809,596 for the year ended August 31, 2018 (2017 - \$592,913), with \$3,313,569 incurred on exploration and evaluation activities, \$79,700 for reclamation bond payments, \$36,935 for the purchase of equipment, partially offset by the reallocation of exploration and evaluation deposits of \$409,511.

Cash used in investing activities of \$592,913 during the year ended August 31, 2017 was primarily related to exploration and reclamation bond deposits \$ 675,000 during the 2017 year, offset by cash acquired on the purchase of subsidiary during the 2017 year of \$122,481.

Financing Activities

Cash provided by financing activities for the year ended August 31, 2018 was a result of proceeds from issuance of capital stock of \$10,297,555 partially offset by share issue costs of \$425,697. The cash provided by financing activities in the year ended August 31, 2017, was primarily the result of net cash proceeds of \$6,223,950 minus share issuance costs of \$394,262, from the October 2016 and April 2017 financings.

Trends in Liquidity, Working Capital, and Capital Resources

As at August 31, 2018, the Company has working capital of \$3,594,552. The Company has no history of revenues from its operating activities. The Company is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the year ended August 31, 2018, the Company had negative cash flow from operating activities, and the Company anticipates it will have negative cash flow from operating activities in future periods.

The Company has, in the past, financed its activities by raising capital through equity issuances. Until it can generate a positive cash flow position, in order to finance its exploration programs, the Company will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing. There can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at August 31, 2017, the Company had contractual obligations for its office leases totaling approximately \$299,000 to July 2022. The office lease obligations consist of the lease payments and an estimate of occupancy costs of the Company's office space. The Company entered into an office sharing arrangement effective July 1, 2017 in respect of its office in Calgary, Alberta. Under this arrangement, the Company receives \$1,500 monthly (\$18,000 year). The Company's Chief Executive Officer is an officer and director of the counterparty to this arrangement. The lease agreement and obligation were transferred to the counterparty of this arrangement in July 2018 and as a result, the Company no longer has any contractual obligations for the office lease.

In connection with the Company's issuance of flow-through shares as part of the April 2017 Financing (\$1,000,100) and the December 2017 Financing (\$1,150,000), the Company is required to spend \$2,150,100 on eligible exploration expenditures by December 31, 2018. Of this, a total of \$1,862,094 has been incurred as at August 31, 2018, leaving \$288,006 to be spent prior to December 31, 2108.

Management is of the view that the above financial liabilities and commitments will be sufficiently funded by current working capital.

SUBSEQUENT EVENTS

On January 3, 2019, the Alberta Securities Commission (the “ASC”) issued an order whereby (i) the hearing with respect to the Notice of Application that was issued by the ASC on December 21, 2018 (the “Notice of Application”) to be heard on January 3, 2019 was adjourned to January 14, 2019, and (ii) certain respondents, including associates of such respondents, to the Notice of Application, which did not include the Company or management of the Company, were ordered to cease trading in or purchasing securities of the Company pending determination of the hearing. Several of the respondents to the Notice of Application were named in the British Columbia Securities Commission (the “BCSC”) temporary cease trade order issued on November 26, 2018. Some of these Respondents are shareholders of the Company and are alleged to have been acting in concert and in violation of the Securities Act (British Columbia).

As some of these shareholders also had entered into agreements (note 8 of the financial statements) with the Company to provide advertising, marketing, investor relations, M&A financial advisory and other consulting services the Alberta Securities Commission has also opened an investigation into the Company on whether the Company has contravened *Securities Act* (Alberta) related to continuous disclosure and capital raising exemptions.

The Company believes it has complied with its required disclosure obligations, with the exception of filing its annual financial statements for the fiscal year ended August 31, 2018, the related management’s discussion and analysis and the certification of the annual filings for the year ended August 31, 2018 (collectively, the “2018 Annual Financial Statements”). The failure to complete and file the 2018 Annual Financial Statements by the deadline of December 31, 2018 resulted in a cease trade order being issued by the BCSC on January 7, 2019.

The Company consented to an order from the ASC to obtain the adjournment of the hearing date from January 14, 2019 to February 1, 2019 with respect to the Notice of Application. As a result, the ASC issued a cease trade order on January 14, 2019 which required that all trading in securities of the Company cease and that the Company must cease trading in all securities and that all exemptions contained in Alberta securities laws do not apply to Company pending the determination of the hearing.

The Company intends to make additional demands to the consultants who have not repaid funds back to the Company from the Company's initial request for repayment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OUTLOOK

The Company's principal business activity is the acquisition, exploration and development of mining properties. The Company presently holds three mineral properties in British Columbia and Mexico. Prize is now a two commodity, two jurisdiction company which allows us to build strength, reduce risk and meet its business model to grow our asset value on our balance sheet and move towards near term production.

The results of the recently completed Toughnut drilling program and the ongoing Manto Negro exploration program will determine the next steps to advance the properties. Exploration results have been encouraging in 2018 and further drilling results are expected to be received in the near term. The Company expects that further financings will be required in 2019 to fund the continued exploration of the British Columbia and Mexico properties.

TRANSACTIONS WITH RELATED PARTIES

During the years ended August 31, 2018 and 2017, the Company carried out the following transactions with related parties:

a) Purchase of services:

	August 31, 2018	August 31, 2017
Administration and accounting fees to a company controlled by an officer and director of the Company	\$ 125,000	\$ 80,000
Consulting fees to a company controlled by a director	\$ 122,500	\$ 90,000
Legal fees to a firm of which the corporate secretary is a partner	\$ 169,030	\$ 80,063

b) Key management compensation:

The compensation paid or payable to key management or companies controlled by them for director and/or management services is shown below:

	August 31, 2018	August 31, 2017
Fees reported as management fees to a director and companies controlled by an officer and director	\$ 351,975	\$ 127,000
Directors' fees	\$ 25,000	\$ -
Share-based payments	\$ 936,237	\$ 546,715

c) Prepaid expenses

	August 31, 2018	August 31, 2017
Prepaid expenses to a company controlled by a director and an officer for consulting services	\$ 24,500	\$ 80,000

d) Accounts payable to related parties:

	August 31, 2018	August 31, 2017
Director and companies controlled by key management for management and support services and related out-of-pocket expenses	\$ 59,081	\$ -
Consulting fees to a director of the Company	-	21,000
	\$ 59,081	\$ 21,000

Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment

During the year ended August 31, 2018, the Company recorded an impairment of receivables totaling \$Nil (2017 - \$23,192).

NON-IFRS MEASURES – WORKING CAPITAL

The Company has included a non-IFRS measure for "working capital" in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Company believes that this measure provides investors with an improved ability to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

	August 31, 2018	August 31, 2017
Current assets	\$ 4,011,100	\$ 3,272,846
Less: current liabilities	(416,578)	(295,554)
Working capital	\$ 3,594,522	\$ 2,977,292

NEW ACCOUNTING POLICIES

Effective for annual periods beginning on or after January 1, 2018:

IFRS 15, Revenue from Contracts with Customers:

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*. Early application of the Standard would still be permitted.

IFRS 9, Financial Instruments – Classification and Measurement

IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and*

Measurement

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Effective for annual periods beginning on or after January 1, 2019: IFRS 16, Leases

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as required by IAS 17 and instead introduces a single lessee accounting model.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards; however, enhanced disclosure requirements are expected.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments 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.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. It was determined that the Canadian dollar is the functional currency of the Company.
- (iii) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.
- (iv) The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of 199 was determined to constitute an acquisition of assets.

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 financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- (ii) The assessment of any impairment of evaluation and exploration assets, 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 lives of assets.

- (iii) The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of the subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and share-based payment reserve.

RISKS AND UNCERTAINTIES

Financing Risks

The Company has finite financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further acquisitions of companies or projects. Such further acquisitions may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain additional financing could result in delay or indefinite postponement of exploration and development of the Company's existing projects which could result in the loss of one or more of its properties.

Exploration and Development Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. These risks include:

- few properties that are explored are ultimately developed into producing mines;
- there can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable;
- with all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions; and
- mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in our resource base.

Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and financial condition.

No History of Mineral Production

The Company has no history of commercially producing metals from its mineral exploration properties. There can be no assurance that the Company will successfully establish mining operations or profitably produce gold, copper or other precious metals on any property in which the Company maintains an interest. The development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Company's control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render reserves and deposits containing relatively lower grades of mineralization uneconomic.

None of the Company's properties are currently under development or production. The future development of any properties found to be economically feasible will require the Company to obtain licenses and permits and will require the construction and operation of mines, processing plants and related infrastructure. As a result, the development of any property will be subject to all of the risks associated with establishing new mining operations and business enterprises, including, but not limited to:

- the timing and cost of the construction of mining and processing facilities;
- the availability and costs of skilled labour and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of those approvals and permits; and
- the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities and those of its business partners will result in profitable mining operations or that mining operations will be established at any of the Company's properties.

Acquisition of Business Arrangements

As part of the Company's business strategy, it has sought and will continue to seek new mining and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their workforce into the Company. Ultimately, any acquisitions would be accompanied by risks, which could include:

- a significant change in commodity prices after we have committed to complete the transaction and established the purchase price or exchange ratio;
- a material mineralized zone could prove to be below expectations;
- difficulty in integrating and assimilating the operations and workforce of any acquired companies;
- realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise;
- maintaining uniform standards, policies and controls across the organization;
- the acquired business or assets may have unknown liabilities which may be significant;
- delays as a result of regulatory approvals; and
- exposure to litigation (including actions commenced by shareholders) in connection with the transaction.

Any material issues that the Company encounters in connection with an acquisition could have a material adverse effect on its business, results of operations and financial position.

Mineral Reserves/Mineral Resources

The properties in which the Company holds an interest are currently considered to be in the early exploration stage only and do not contain a known body of commercial minerals. Mineral resources and mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

Mineral resources on the Company's properties have been determined based upon assumed metal prices and operating costs. Future production could differ dramatically from resource estimates because, among other reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- calculation errors could be made in estimating mineral resources;
- increases in operating mining costs and processing costs could adversely affect mineral resources;
- the grade of the mineral resources may vary significantly from time to time and there is no assurance that any particular level of metals may be recovered from the ore; and
- declines in the market price of the metals may render the mining of some or all of the property.

Estimated mineral resources may require downward revisions based on changes in metal prices, further exploration or development activity, increased production costs or actual production experience. This could materially and adversely affect estimates of the tonnage or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource and mineral reserve estimates.

Any reduction in estimated mineral resources as a result could require material write downs in investment in the affected mining property and increased amortization, reclamation and closure charges, which could have a material and adverse effect on future cash flows for the property and on the Company's earnings, results of operations and financial condition.

Substantial Capital Requirements

The Company's management team anticipates that it may make substantial capital expenditures for the acquisition, exploration and development of properties, in the future. As the Company is in the exploration stage with no revenue being generated from the exploration activities on its mineral properties, the Company has limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company and any such financing may result in substantial dilution to existing shareholders. Moreover, future activities may require the Company to alter its capitalization significantly. The Company's inability to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit our interest in certain properties, miss certain acquisition opportunities and reduce or terminate our operations.

History of Net Losses

The Company hasn't received any revenue to date from the exploration activities on its properties, and there is no assurance that any of the properties that it has or will acquire pursuant to acquisitions or otherwise will generate earnings, operate profitably or provide a return on investment in the future. The Company has not determined that production activity is warranted on any of its mineral properties. Even if the Company (alone or in conjunction with a third party) undertake development and production activities on any of the mineral properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. The Company is subject to all of the risks associated with new mining operations and business enterprises including, but not limited to:

- the timing and cost, which can be considerable, for the further construction of mining and processing facilities;
- the availability and costs of skilled labour, consultants, mining equipment and supplies;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals, licenses and permits, and the timing of those approvals, licenses and permits; and
- the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in sustainable profitable mining operations or that the Company will successfully establish mining operations or profitably produce metals at any of its properties.

Global Financial Conditions

Global financial conditions continue to be characterized by volatility. Many industries, including the mining industry, are impacted by volatile market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fluctuations in fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and financial condition. Future economic shocks may be precipitated by a number of causes, including the government debt levels, fluctuations in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the volatility of currency exchanges, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples including the first nations of Canada. The Company operates in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The Company's current and future exploration program may be subject to a risk that one or more groups of indigenous people may oppose development on any of its properties or on properties in which it holds a direct or indirect interest. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities or other parties to whom the Company has transferred properties. Opposition by indigenous people to the Company's operations may require modification of or preclude development of its projects or projects on properties in which the Company holds a direct or indirect interest or may require the Company or a third party to enter into agreements with indigenous people with respect to projects on such properties. Such agreements may have a material adverse effect on the Company's business, financial condition and results of operations.

Environmental Laws and Regulations

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. The Company cannot give any assurance that, notwithstanding its precautions and limited history of activities, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not result in additional costs or curtailment of planned activities and investments, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Companies engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or any future production costs or require abandonment or delays in the development of new mining properties.

OUTSTANDING SECURITIES

The following table summarizes the outstanding share capital as of the date of this MD&A.

Issued and Outstanding Common Shares			124,310,562
	<u>Expiry Date</u>	<u>Weighted Average Exercise Price</u>	<u>Number</u>
Options	October 2023	\$ 0.20	4,900,000
Warrants	December 2019	\$ 0.50	1,150,000
	October 2019	\$ 0.15	243,950
	August 2019	\$ 0.24	9,636,133
	July 2019	\$ 0.25	21,666,666
	April 2019	\$ 0.53	8,023,985
Restricted Share Units			2,400,000

Prize issued an aggregate of 28,525,000 Common Shares on April 11, 2017 in exchange for all of the outstanding shares of 199. A total of 28,000,000 of these Common Shares are subject to contractual resale restrictions. These restrictions expire in respect of 10% of the shares on the closing date and in respect of an additional 15% of the Acquisition Shares on each of the 6, 12, 18, 25, 30, and 26-month anniversaries of the closing date.

Prize issued an aggregate of 6,000,000 Common Shares on December 6, 2017 in exchange for all the outstanding shares of Scion. These Common Shares are subject to contractual resale restrictions. These restrictions expire in respect of 10% of the Shares on the closing date and in respect of an additional 15% of the Acquisition Shares on each of the 6, 12, 18, 24, 30, and 36-month anniversaries of the closing date. The Company has agreed to issue up to an additional 6 million common shares (the "Bonus Shares") to Scion's former shareholders upon the satisfaction of the following conditions:

- 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 500 million pounds.
- 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 750 million pounds.
- 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 1 billion pounds.

INTERNAL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

The Company is exempted from providing certifications regarding its disclosure controls and procedures as well as regarding its internal control over financial reporting as a “venture issuer”. The Company is required to file basic certificates, which it has done for the period ended August 31, 2017. The Company makes no assessment relating to the establishment and maintenance of (i) disclosure controls and procedures or (ii) internal control over financial reporting (as such terms are defined under Multilateral Instrument 52-109) as at August 31, 2018.

CAUTIONARY STATEMENTS

Forward Looking Statements. Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, “forward-looking statements”). Such forward-looking statements relate to possible events, conditions or financial performance of the Corporation based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this MD&A should not be unduly relied upon by investors. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Mineral Resources. All mineral resources have been calculated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and Canadian National Instrument NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES

This Management’s Discussion and Analysis has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with Canadian NI 43-101 Standards of Disclosure for Mineral Projects and the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the disclosure requirements promulgated by the Securities and Exchange Commission (the “Commission”) and contained in Industry Guide 7 (“Industry Guide 7”). Under Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101. However, these terms are not defined terms under Industry Guide 7 and are not permitted to be used in reports and registration statements of United States companies filed with the Commission. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a mineral resource is permitted disclosure under Canadian regulations. In contrast, the Commission only permits U.S. companies to report mineralization that does not constitute “mineral reserves” by Commission standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Management’s Discussion and Analysis may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations of the Commission thereunder.

QUALIFIED PERSON REVIEW

The disclosure in this MD&A of scientific and technical information regarding the Company’s mineral projects has been reviewed and verified by Robert Archer, P.Geo., a Director of the Company. Mr. Archer is a Qualified Person under NI 43-101 and is the Company’s nominated qualified person responsible for monitoring the supervision and quality control of the programs completed on the Company’s properties.

(Jarrod Brown, P.Geo., of Terralogic Exploration Inc. Mr. Brown is a Qualified Person for the purposes of National Instrument 43-101.)

TECHNICAL AND SCIENTIFIC INFORMATION

All technical and scientific information contained in this MD&A regarding the Kena Project has been taken from Technical Report. A copy of the Report is available under the Company’s SEDAR profile. Readers are encouraged to read the Report in its entirety, including all qualifications, assumptions and exclusions that relate to the scientific and technical information set out in this MD&A. Technical and scientific information set out in this MD&A is subject to the qualifications, assumptions and exclusions set out in the Report. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

A copy of this MD&A, the Audited Financial Statements for the fiscal year ended August 31, 2018 as well as other information is available on the SEDAR website at www.sedar.com.