

BCM RESOURCES CORPORATION

**Management Discussion and Analysis of
Results of Operations and Financial Condition
For the Six Months Ended February 28, 2019**

BCM RESOURCES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Ended February 28, 2019

Dated: April 28, 2019

The following discussion and analysis of the financial position and results of operations for BCM RESOURCES CORPORATION (the “Company” or the “Corporation” or “BCM”) should be read in conjunction with the audited financial statements for the year ended August 31, 2018 and the unaudited interim financial statements for the **six months ended February 28, 2019**, which are prepared in Canadian dollars and using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

OVERVIEW

The Company is in the business of acquiring, exploring and developing mineral properties. At present, the Company is in the exploration stage and has interests in mineral properties located in the Skeena and Omineca Mining Divisions in British Columbia. The Company has not yet had any revenue from the exploration activities on its properties. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The Company has an option to acquire mineral claims pursuant to an agreement dated June 15, 2005 and amended by agreement dated May 29, 2006 with Nicholas Carter (“Carter Property Agreement”). As consideration the Company agreed to deliver to Carter the payments, shares and royalties as set out in the financial statements.

Subsequent to the Carter Property Agreement, additional mineral claims were staked adjacent to the Company’s Shan Molybdenum discovery, and elsewhere in the Terrace area. BCM’s 100% owned claims in the region total 7,604 hectares and are referred to as the “Shan” Properties.

The Company also has an option to acquire mineral claims pursuant to a letter of intent dated September 2, 2015 and a formal option agreement dated September 28, 2018 with Inland Explorations Ltd. (“Inland”). As consideration the Company agreed to deliver to Inland the payments, shares and royalties as set out in the financial statements.

FINANCING ACTIVITIES

On October 6, 2015, the Company completed the first tranche of a Non-Brokered private placement by issuing 1,395,000 common shares at \$0.05 per share for gross proceeds of \$69,750.

On November 27, 2015, the Company completed the second tranche of a Non-Brokered private placement by issuing 1,610,000 common shares at \$0.05 per share for gross proceeds of \$80,500.

On December 18, 2015, the Company completed the third tranche of a Non-Brokered private placement by issuing 1,394,000 common shares at a price of \$0.05 per share for gross proceeds of \$69,700.

On February 15, 2016, the Company completed a non-brokered private placement, by issuing 825,000 Units at \$0.10 per share, for gross proceeds of \$82,500. Each Unit consists of one common share and one-half of a share purchase warrant. Each full warrant can be exercised at a price of \$0.15 per warrant into one common share of the Company, and was exercisable until August 15, 2016

On May 26, 2016, the Company issued 300,000 common shares with a fair value of \$88,500 to settle debt of \$75,000.

During the year ended August 31, 2016, 282,500 share purchase warrants priced at \$0.15 were exercised for gross proceeds of \$42,375.

On January 31, 2017, the Company completed a non-brokered private placement, by issuing 850,000 Units at \$0.10 per share, for gross proceeds of \$85,000. Each Unit consists of one common share and one share purchase warrant. Each warrant can be exercised at a price of \$0.20 per warrant into one common share of the Company, and was exercisable until January 31, 2019.

On December 5, 2017, the Company completed a non-brokered private placement, issuing 11,000,000 units at \$0.075 per unit, for gross proceeds of \$825,000. Each Unit consists of one common share and one share purchase warrant. Each warrant can be exercised at a price of \$0.15 per warrant into one common share of the Company, and is exercisable until December 5, 2019. The warrants are subject to an acceleration right in favor of the Company: should the closing price of the common shares of the Company on the TSX Venture Exchange, at any time following the date that is four months after the date of issue, be \$0.35 or higher for 20 consecutive trading days, the Company will be entitled to accelerate the expiration of the warrants to the date that is 30 business days from the date of the issuance of a news release by the Company announcing the exercise of the acceleration right. Finder's fees totaling \$30,075 and 320,000 broker warrants were paid to certain finders and comprise 8% cash and 8% broker warrants, of the amount placed by those finders. Each broker warrant is exercisable into one common share of the Company at an exercise price of \$0.15 and expires December 5, 2019 and are subject to the aforementioned acceleration right.

On August 30, 2018, 300,000 of the share purchase warrants issued as part of the December 5, 2017 private placement were exercised for gross proceeds of \$45,000.

On September 28, 2018, 450,000 shares at \$0.17 were issued to Inland along with \$50,000 in cash consideration upon the closing of the formal option agreement to acquire up to 60% interest in Inland's TK Property (see "Letter of Intent – Thompson Knolls Property").

The Company had 38,543,511 common shares issued and outstanding at February 28, 2019 and 38,543,511 at April 28, 2019.

ACTIVITIES OF THE COMPANY ¹

The Company's main focus has been exploration for molybdenum in the Terrace area of Northwest British Columbia, with particular emphasis on advancing the Company's molybdenum discovery at its flagship Shan Property. This property, which benefits from its proximity to existing infrastructure, is adjacent to the Skeena River along which are both the CN Railway and highway 16, major east-west transportation corridors in west-central British Columbia. Nearby deep sea ports include Kitimat (80 km south) and Prince Rupert (163 km west). Terrace (20 km southwest) and Smithers (200 km east) have well-established mining-related service industries and a trained workforce. BC Hydro transmission lines are in close proximity to the property.

Shan Molybdenum Discovery

To date, the Company has completed four drill programs at Shan consisting of 13,624 metres of drilling in 57 holes. Significant molybdenum mineralization was encountered in all phases of drilling. The Shan Property is 7,604 ha in size. The first two phases of drilling included 36 holes to test both the Las Margaritas and Camp Zones. All holes intersected visible molybdenum mineralization with 31 holes (86%) including sample intervals with grades of at least 0.06% Mo. Phase III drilling was directed to the Triangle zone which features scattered high-grade Mo mineralization.

The most recent drill program (Phase IV) was completed in the summer of 2011. Seven of the 16 holes drilled were infill holes within the Las Margaritas zone. All seven holes intersected the molybdenum bearing zone and included grades 0.06% Mo or higher; four holes included sample intervals of + 0.10% Mo.

Approximately 1300 drill core samples were collected from each 3 metres hole interval. Each sample was crushed and only a very small portion of each was pulverized to provide material for subsequent laboratory analyses. The remaining portion of the crushed material is referred to as "sample rejects". The Company has retained the crushed sample rejects from the mineralized intervals for future metallurgical test work.

All of the Company's assays are reported as Mo (molybdenum). Historically, sample results from most molybdenum properties were reported as MoS₂ (molybdenite = molybdenum disulphide) which is equal to the grade expressed as Mo x 1.6681. For examples, 0.06% Mo is equal to 0.10% MoS₂.

Additional Drilling Planned at Shan Molybdenum Discovery

Multi-year diamond-drilling permits for the Shan property were obtained from the appropriate provincial agencies and were valid through March 2014. Bonding remains in place and the Company will reactivate

Richard R. Redfern, M.Sc. and Certified Professional Geologist, a 'qualified person' for the purposes on National Instrument 43-101 Standards of Disclosure for Mineral Properties, has approved the technical content of this MD&A.

the permits when funding is available to resume drilling at the property. Drilling can be conducted virtually year-round.

The Company anticipates that an additional 1000 to 1500 metres of drilling will provide enough information to prepare a NI 43-101 compliant resource estimate for the Las Margaritas zone.

Additional drilling is also planned to further test the continuity of molybdenum mineralization between the Las Margaritas, Camp & Triangle zones; which may, in fact, be part of a much larger mineralized system.

Further drilling is subject to adequate financing and the Company is presently evaluating various funding options.

In the interim, the Company may commission a preliminary metallurgical study on the retained sample rejects from the 2011 drilling program. Such a study should provide useful information for advancing this project.

Letter of Intent – Thompson Knolls Property

On September 2, 2015, the Company announced that it finalized terms of an Agreement with Inland Explorations Ltd., a private BC company ("Inland"), for an option to acquire up to 60% interest in Inland's drill-ready Thompson Knolls Property ("TK Property") located in central Utah's Great Basin, one of the premier metallogenic provinces in the world. The TK property comprises 2948.6 acres located in Millard County, Utah and consists of 100 federal unpatented mineral claims and two State Section Leases, plus an additional 25 newly staked lode claims comprising 500 acres.

Under the terms of the revised LOI, BCM has the option to earn a 51% interest within 4 years by incurring total property expenditures of C\$3.5 million, issuing to Inland a total of 2.6 million shares in the Company, and making total cash payments of C\$250,000, as well as posting any required exploration bonds and paying all annual property and permit related expenses. Fifty thousand dollars (C\$50,000) and 450,000 shares shall be due on Closing with the balance of property expenditures, cash and share payments staged over a four year period.

Upon BCM earning a 51% interest, the Company shall have the option to increase its interest in the TK Property by an additional 9% to 60% by spending an additional \$5M on the TK Property and delivering a pre-feasibility level study on the property with 2 years.

The proposed transaction received final approval by the TSX Venture Exchange (the "Exchange") and the formal option agreement ("The Option Agreement") closed on September 28, 2018. The transaction is non-arm's length and Inland, a non-reporting issuer, is related to the Company by way of two common directors, all of whom hold shares in Inland and two of which are officers of both companies, as set forth herein (see "Related Party Transactions").

SELECTED ANNUAL INFORMATION

The following selected financial information is derived from the Company's audited financial statements:

	Year ended August 31, 2018	Year ended August 31, 2017	Year ended August 31, 2016
Total revenue	Nil	Nil	Nil
Earnings (loss) before other items*			
Total	(405,740)	(181,256)	(548,551)
Per Share *	(0.01)	(0.01)	(0.02)
Total assets	699,027	113,991	124,860
Total long-term debt	Nil	Nil	Nil
Total shareholders' equity	230,959	(352,176)	(282,952)
Share capital	8,568,038	7,729,661	7,645,836
Net earnings (loss) for the period			
Total	(405,740)	(163,049)	(6,102,294)
Per Share	(0.01)	(0.01)	(0.22)

* The effect of potential share issuances pursuant to the exercise of options and warrants would be anti-dilutive and, therefore, basic and diluted losses per share are the same.

RESULTS OF OPERATIONS

For the six months ended February 28, 2019, the net loss was \$71,882 compared with \$120,846 for the six months ended February 28, 2018, as a decrease in expenses of \$48,964. Significant changes in expenses include the following:

- Management fees (2019: \$30,000, 2018: \$15,000) increased in the current period as a result of a reduction in consulting fees being charged (2019: \$nil, 2018: \$64,750), a significant portion of management fees have been accrued pending additional equity raises and improved liquidity,,
- Filing and transfer agent fees (2019: \$4,915, 2018: \$14,641) decreased as share issuance fees in the current period (September 28, 2018) were less than the share issuance fees in the prior period (December 5, 2017),
- Foreign exchange loss (2019: \$nil, 2018: \$5,815) decreased to \$nil as there were no foreign currency exchange loss on the issuance of shares in the current period,
- Professional fees (2019: \$17,136, 2018: \$6,947) increased as a result of an increase in audit fees,
- Rent expense (2019: \$16,650, 2018: \$2,384) increased due to change in allocation of rent expenses, and
- Travel and promotion costs (2019: \$461, 2017: \$6,593) decreased as the Company decreased its expense during the period.

SELECTED QUARTERLY FINANCIAL INFORMATION

	May 31, 2017 (Q3)	Aug 31, 2017 (Q4)	Nov. 30, 2017 (Q1)	Feb. 28, 2018 (Q2)	May 31, 2018 (Q3)	Aug 31, 2018 (Q4)	Nov. 30, 2018 (Q1)	Feb. 28, 2019 (Q2)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss)	(61,791)	(26,220)	(25,785)	(95,060)	(24,261)	(260,634)	(30,901)	(40,981)
Income (loss) per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.00)

With regard to the general trend of the Company's operating results over the last two years there is limited variability; in quarters where there are financing activities, there are increased operating expenses related thereto, and a corresponding increase in the loss for those quarters. In the third quarter of 2017, the Company's business activities increased. In the fourth quarter of 2017, the Company recorded a recovery of exploration and evaluation expenses. There have been no notable differences in net loss for the first three quarters of 2018. In the fourth quarter of 2018, the Company had recorded stock-based compensation and interest expenses for the year. As noted in other portions of this MD&A the Company is in the exploration phase of its activities and has no revenue. Overall, the trend of the net loss from ongoing operations is stable and except as noted herein, there is no significant seasonality in the results.

LIQUIDITY AND CAPITAL RESOURCES

During the six months ended February 28, 2019, cash flows were as follows:

- Cash inflows on operating activities were \$25,987 (February 28, 2018 – \$493,982 outflow),
- Investing activities consisted of cash outflows on additions to the Company's mineral property exploration costs of \$133,406 (February 28, 2018 – \$nil), and
- Financing activities consisted of cash inflows from shares issuance of \$76,500 (February 28, 2018 – \$789,800)

As at February 28, 2019, the Company had a working capital deficiency of \$541,780, compared to a working capital deficiency of \$412,992 as at August 31, 2018. The Company's current assets include \$909 in cash and cash equivalents (August 31, 2018 - \$31,827), \$14,191 in term deposits (August 31, 2018 - \$14,149), \$4,691 in GST receivable (August 31, 2018 - \$3,441), \$2,775 and \$nil due from a related party (August 31, 2018 - \$5,659). The Company has no other liquid assets as at February 28, 2019.

The Company has total non-current assets of \$777,357 (August 31, 2018 - \$643,951) which consists entirely of capitalized exploration expenditures. On February 28, 2019, accounts payable and accrued liabilities were \$410,682 (August 31, 2018 - \$392,133) and due to related parties were \$150,889 (August 31, 2018 – \$75,935).

As at February 28, 2019, the Company has cash of \$909 and term deposits of \$14,191. In order to maintain operations and cover administrative costs, the Company will need to raise additional capital. In the past, the Company has relied on sales of equity securities to meet its cash requirements. There can be no assurance that additional funding from this or other sources will be available in the future to satisfy operational requirements and cash commitments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company's cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating

agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to minimal interest rate risk.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, and due to related parties approximates their carrying values. Cash and cash equivalents and term deposits are measured at fair value using Level 1 inputs.

OUTSTANDING SHARE DATA

The Company has an authorized share capital of an unlimited number of common shares without par value. The following table describes the issued and outstanding share capital of the Company:

	<u>April 28, 2019</u>	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Common shares	38,543,511	38,093,511	26,793,511
Warrants	11,870,000	11,870,000	850,000
Stock Options	3,635,000	3,635,000	2,535,000
Fully Diluted Shares	54,048,511	53,598,511	30,178,511

For additional details on the Company's share capital, refer to Notes 5 and 6 of the audited financial statements for the year ended August 31, 2018.

RELATED PARTY TRANSACTIONS

During the six months ended February 28, 2019 and 2018, the Company incurred the following transactions to officers and directors of the Company or companies with common directors:

Key Management Compensation	Type of fees paid	February 28, 2019 \$	February 28, 2018 \$
Dale McClanaghan (a)	Management fees	30,000	15,000
Scott Steeds (b)	Consulting fees & Rent	-	17,384
Total		30,000	32,384

Due to (from) a related party:	February 28, 2019 \$	February 28, 2018 \$
Dale McClanaghan	111,118	71,079
Inland Explorations Ltd.(c)	47,409	(354,940)
Scott Steeds	(7,638)	9
Total	150,889	(283,852)

- a) Dale McClanaghan is the President, CFO, Corporate Secretary, and a director of the Company
- b) Scott Steeds was elected to the board of directors and appointed CFO on June 29, 2017
- c) Inland is related by way of common directorship with two directors of the Company, all of whom hold shares in Inland and two of whom are officers of both companies as follows:

Name & Title (with BCM)	Position with Inland	% Inland Shares
Dale McClanaghan – President & CEO	Director BCM& CFO	9.4%
Scott Steeds – CFO ⁽¹⁾	Director & President ⁽³⁾	8%

(1) Scott Steeds replaced Deborah Goldbloom as director/president of Inland effective Dec 7, 2017.

Inland shares certain overhead costs in common with the Company. Substantially all of the balance due from Inland relates to costs incurred by the Company on behalf of Inland for the Thompson Knolls Drill Program. All exploration expenditures incurred to August 31, 2017 were classified as an advance to Inland. Based on the closing of the Formal Option Agreement on September 28, 2018, these historic expenditures, and all current project expenditures, have been reclassified to deferred property costs in accordance with the Company's accounting policy for such costs.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

All of the Company's significant accounting policies and estimates are included in Note 2 and 3 of its audited financial statements for the year ended August 31, 2018.

BUSINESS RISKS

The Company, and the securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company has no intentions of paying any dividends in the future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct impact

on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. Management evaluated the effectiveness of the Company's disclosure controls and procedures for the six months ended February 28, 2019 and the year ended August 31, 2018, and based on that evaluation, management has concluded that the disclosure controls and procedures were effective but that an inherent weakness in the controls exists due to the lack of segregation of duties and management override. It has been determined by management that it is not cost effective to increase the controls over financial reporting at the current level of operations.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES

A detailed listing of general and administrative expenses, the analysis of exploration expenditures and assets on a property-by-property basis are provided in the condensed interim financial statements of the Company for the six months ended February 28, 2019, available under the Company's profile on SEDAR at www.sedar.com.

SUBSEQUENT EVENTS

There are no material events subsequent to the date of the Interim Financial Statement as at April 28, 2019.

APPROVAL

The Board of Directors of BCM Resources Corporation has approved the disclosure contained in this MD&A.