("EVX" or "the Company")

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIOD ENDED JANUARY 31, 2019

Introduction

This Management's Discussion and Analysis ("MD&A") of European Electric Metals Inc. (formerly Tirex Resources Ltd.) including its wholly owned subsidiaries, EVX Explorations Sh.p.k., (incorporated in Albania), Tirex Resources (BVI No.1) Ltd. (incorporated in British Virgin Islands), and Tirex Resources (BVI No.2) Ltd. (incorporated in British Virgin Islands) is the responsibility of management and covers the three month period ended January 31, 2019. The MD&A takes into account information available up to and including March 28, 2019, and should be read together with the condensed consolidated interim financial statements for the period ended January 31, 2019 and with the audited consolidated financial statements for the years ended April 30, 2018 and 2017 which are available on the SEDAR website at www.sedar.com.

Throughout this document the terms *we, us, our, the Company* and *EVX* refer to European Electric Metals Inc. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and is presented in Canadian dollars unless otherwise indicated.

This document contains forward-looking statements. Please refer to "Note Regarding Forward-Looking Statements."

Description of Business

The Company's main business is the acquisition and exploration of natural resource properties in Albania and Portugal. The Company has three main projects:

1. Skroska Co/Ni Project: The Company has entered into an agreement to acquire 100% of the Skroska mine (an iron-nickel laterite mine in Albania)
2. Rehova Cu Project: The Company has been issued a 25-year mining license in the Rehova property
3. Borba 2 Cu Project: The Company has an agreement to acquire an advanced stage copper project in Portugal.

Refer to the "Outlook" and "Exploration Summary" sections below for a description of the properties and for more information.

Performance Summary and Subsequent Events

During the three month period ended January 31, 2019, the Company:

- Completed an underground phase 1 sampling program at the Skroska nickel laterite mine by Company geologists. Three separate mining blocks were sampled, the three blocks being the East block, Central block and West block (see Company website for location of these blocks). East block dimension is 110 metres by 60 metres, the Central block is 60 m by 40 m and the West block is 80 m by 50 m. A total of 174 channel samples were taken from mining panels and pillars, from 66 different underground sample locations.

- Engaged Nordmin Group of Companies ("Nordmin") to undertake a site inspection and to comment on the condition of the surface and underground infrastructure and equipment of Skroska mine in Albania. A Nordmin mining engineer visited the mine in December 10 and 11, 2018 and subsequently submitted to the Company an internal report on the visit.

- Announced that it has a private placement issuing 1,260,000 units at a price of $0.25 per unit for total proceeds of $315,000. Each unit consists of one common share and one-half common share purchase warrant, with each whole warrant exercisable into one common share at an exercise price of $0.35 for a period of 18 months from the date of issue. All securities issued under this Private Placement will be subject to a four-month resale restriction.

- Held its AGM on December 18, 2019. Shareholders voted in favour of all items proposed by the board of directors and management.

Received assay results from the Company's phase 1 underground sampling program in the Skroska indicated above. Please refer to the news release dated January 28, 2019. The results of the analysis showed cobalt values averaging 0.11 per cent (ranging from 0.01 per cent to 0.49 per cent) and nickel averaging 1.1 per cent (ranging from 0.21 per cent to 1.7 per cent). The iron oxide for the 174 samples averaged 69.61 per cent (from 6.75 per cent to 80.18 per cent). Please refer to the full news releases which are available on the Company's website or at www.sedar.com.

Subsequent to January 31, 2019, the Company:

- Appointed Dr. David Dreisinger to its advisory board. Dr. Dreisinger is a full professor and chairholder of the hydrometallurgy chair at the University of British Columbia in Vancouver. He has been extensively involved as a process consultant in industrial research programs with metallurgical companies. He has participated in 21 United States patents for work in the areas of pressure leaching, ion exchange, removal of impurities from process solutions, thiosulphate leaching and leach-electrolysis treatment of copper recovery from sulphide ores. Among metallurgical processes he co-invented are the Sepon Copper process (Laos), the Mount Gordon Copper process (Australia) and the Platsol process (to be used in the U.S.). He has published over 300 technical papers in journals and conference proceedings. Dr. Dreisinger serves on the board of a number of TSX-listed companies, including PolyMet Mining, Search Minerals, Euro Manganese and LeadFX.

- Announced it has extended the due diligence period by five months to July 31, 2019, with the signing of an amending agreement with Gerold Shpk, the mining licence holder and operator of the Skroska nickel laterite mine. Prior to amending the agreement, the closing date was set for Feb. 25, 2019. The amendment requires the Company to pay 6,500 euros per month for costs related to the maintenance of the mine. All other terms of the agreement remain the same. Moving of the closing date to July 31, 2019, for an additional five months will give the Company sufficient time to conduct metallurgical tests to determine amenability of the Skroska cobalt-rich nickel laterite to the high-pressure acid leach (HPAL) process, a commercially proven process for recovery of cobalt and nickel from nickel laterite.

- Announced it will be proceed with metallurgical testing of mineralized material from the Skroska cobalt-nickel laterite mine. Tests will be conducted by SGS Canada at its facilities in Lakefield, Ont., Canada, and will utilize existing assay reject samples from European Electric's recent sampling program. The initial testing will focus on establishing the amenability of the Skroska material to high-pressure acid leaching (HPAL), a commercially proven process for recovery of cobalt and nickel from nickel laterite.

- Announced it has been in discussions with a HPAL facility which will conduct additional testing at the HPAL facility's research and development (R&D) facility. As part of this testing to determine amenability to HPAL process, the Company will collect materials from several underground locations previously sampled by the Company.

- Announced it has commenced underground sampling for metallurgical tests. The samples will be taken from several sampling points that were previously sampled during the Company's Phase 1 underground sampling program (see news release dated January 28, 2019 on the Company's website) and expected to be completed within the week. Of the samples collected, 30 kgs will be sent to a R&D laboratory of a mining company operating a High Pressure Acid Leach (HPAL) plant in the next 15 days. The laboratory will test for the amenability of the Skroska nickel-laterite to HPAL. HPAL is a commercially proven process for recovery of cobalt and nickel from nickel laterite.

- Announced that George Gorzynski has resigned as a Director while remaining as an Advisor. The Company thanks Mr. Gorzynski for his invaluable services during the last twelve years and is pleased that he will continue his role as an Advisor as we work to advance Skroska.

Unless described elsewhere in this report, there were no other significant events or transactions during or subsequent to the period to the date of this report.

Outlook

During the year ended April 30, 2018 the Company entered into a Debt Settlement Agreement with the EBRD whereby the full principal and accrued interest owing to the EBRD was converted to equity. The Company issued 3,827,500 common shares in full settlement of the convertible debt and accrued interest. Combined with a share-consolidation, financing, and the commencement of drilling as described below, the Company is in a position to move the Company forward. The Company will continue to require additional capital for office and administrative expenditures and to advance the Company's projects and complete project investigation activities.

In February of 2015, EVX won the exclusive right, through an open tender process, to a 25 year mining license for the Rehova property in southeastern Albania. On June 12, 2015, the Company received the final Environmental Permit required for EVX to exercise its exclusive rights to a 25 year mining license. The Albanian administrative and appeals courts disregarded the claims of a third party which prevented the Ministry of Trade and Energy ("MEI") from issuing the license as previously reported. On February 10, 2017 the Minister of MEI approved the license and after EVX deposited the mining and environmental guarantee fund to government designated bank, the National Business Center issued the license on February 27, 2017. In January, 2018 the Company started a 1,500m drilling program in Rehova.

In October of 2018, the Company entered into an option agreement to acquire the Skroska project in Albania, which is a fully permitted mining operation. The terms of the agreement are discussed above and the project is described below. The Company has recently completed a sampling project and is investigating funding opportunities to advance the project.

EXPLORATION SUMMARY

Skroska Project

The Skroska deposit has a historic resource of 22.4 million tonnes grading 0.99% Ni, 49.13% Fe and 0.065% Co. The resource estimate is historic in nature, is not a mineral reserve and do not have demonstrated economic viability (see Cautionary Statement below). The laterite deposit ranges from two metres to 10 metres in thickness and averages approximately six metres thick. It occurs between serpentinized ultramafic rocks below and limestone above or as a capping. The limestone is a competent rock which makes it a natural roof for the open stope underground mining method employed in the mine. Approximately 100,000 tonnes were mined by Gerold Sh.pk. ("Gerold") at an operating rate of 200 tonnes per day and 55,000 tonnes were shipped to China, while about 15,000 tonnes went to Macedonia (information provided by Gerold personnel, 2018). The balance of the mined materials are stockpiled at the mine site (the stockpile is not included in the EVX agreement). Prior to Gerold, mining was conducted by the state-run mining enterprise from 1985 to 1990 extracting 1,054,000 tons of laterite and delivering it to the Elbasan ferronickel smelter 58 kilometres to the west of the mine (based on available government information). The smelter no longer exists and there are no ferronickel smelter operations in Albania at this time.

Based on the sampling done by EVX in July, 2018, the mine openings (haulage, development and production areas) were observed to be accessible and free of major blockages. Electrical power supply to the underground areas was available while major mine equipment both inside the underground works and on the surface were observed to be in good condition and are reported to be operational.

The Company's geologists persisted in looking at the possibility of higher Co grades in some of the Albanian deposits.. Having had indications of elevated Co in prospecting done in other areas, the Company's geologists conducted a two-day sampling program in Skroska in July, 2018. EVX geologists sampled the appropriate horizons and came back with high cobalt grades.

Cobalt has not been a significant economic contributor in the past as all the laterite production in Albania was processed for nickel and iron only. Historically, prior to Albania building its own smelter in 1976 in Elbasan, the laterite was shipped to China and Czechoslovakia.

The Company has four months from the closing of the agreement to conduct due diligence study which will include among others a study to determine if mining operations can be restarted within six to 12 months. The due diligence period and closing date have been moved to July 31, 2019. Please refer to the full news releases which are available on the Company's website or at www.sedar.com

Rehova Project

Rehova is located 114 kms southeast of Tirana (200 road kms), is readily accessible by paved roads and is on the electrical power grid. The mining property contains four historical volcanogenic massive sulfide ("VMS") mineralized zones. These are surrounded by exploration areas of interest that have not yet been systematically tested using modern exploration techniques and technology. The four known mineralized zones named Bregu i Geshtenjes ("BG") Kanisqel, Çiflig and Dushku i Trashe ("DT") comprise the Rehova Copper Mine Project, a historically producing mining operation which was formerly operated by the Albanian state copper enterprise.

Prior to the start of production in 1980 the Albanian Geological Survey ("AGS") reported combined mineralization of 3.43 million tons grading 2.17% copper for the four zones and at the time operations stopped in 1990 reported 2.87 million tons grading 2.14% copper remaining. The resource estimate is historic in nature, is not a mineral reserve and do not have demonstrated economic viability (see Cautionary Statement below). The majority of the remaining mineralization consisting of 2.09 million tons grading 2.15% copper were reported from the BG zone, which has remained intact and remains open for additional drilling (see Cautionary Statement below).

Çiflig and DT were mined by underground method while Kanisqel was mined by open pit and to a limited extent by underground. The materials mined were sent to a processing plant nearby with an annual capacity of 60,000 tonnes.

Most historic facilities such as the processing plant equipment and mining equipment have been removed from the site but in addition to the underground workings that exist, infrastructure such as good roads, tailings storage facility area and electrical power lines are still in place.

EVX completed an Induced Polarization and Resistivity geophysics survey in Rehova in August, 2017. The survey was conducted over BG mineralized zone and adjoining Kanisqel mineralized zone. In January 2018 a 1,500m drilling program (Phase 1) was started by the Company. The objectives were to confirm mineralization in historic holes and to test geophysical targets defined by the survey conducted in 2017. Drilling and core sampling were completed in June as well as mapping in the license area. Drill results included 1.66% copper over 3.30m and 1.15% copper over 3.0m. Please refer to the full news releases which are available on the Company's website or at www.sedar.com.EVX also plans to explore for similar VMS mineralization outside of Rehova project subject to budget availability and acquisition of exploration grounds around it. Several prospects had been identified by the AGS prior to the closure of the mine and these could be targets of future exploration.

Borba 2 Project

The Company entered into an agreement to acquire the Borba 2 project in Portugal, during the first quarter of 2018. The Company is still awaiting the issuance of the license before completing the acquisition and commencing field activities. During the second quarter of 2018 the Company visited the project and commenced a desk-top review of past exploration and mining activity. Upon issuance of the license the Company intends to carry out field activities including mapping, surveying, sampling and geophysics to identify new targets and to assess the known historic deposit and potential extensions. EVX also plans to explore for mineralization similar to the Miguel Vacas and Bugalho deposits (shallow shear-hosted copper mineralization) outside the known mineralized areas.

Future Exploration Plans

Plans for work in the coming year are subject to financing, and include compilation of historic data, ground geophysics, mapping and confirmation drilling supplemented by downhole electromagnetic logging.

Below is a summary of our cumulative exploration expenditures in Albania as at January 31, 2019 and as at April 30, 2018:

	Albania	
	January 31, 2019	April 30, 2018
CUMULATIVE EXPLORATION EXPENDITURES		
Assay	$ 756,423	$ 709,507
Depreciation	1,113,881	1,113,881
Drilling	8,373,916	8,361,587
Environmental and report preparation	309,148	269,289
Equipment maintenance and rental	598,324	598,324
Fees and licenses	587,962	587,962
Field expenditures and road construction	7,665,945	7,489,559
Geological consulting and mine engineering	8,168,994	8,040,508
Geophysics	1,616,707	1,604,574
Project administration	1,862,767	1,855,310
Project management	156,672	94,797
Travel	1,582,668	1,558,584
Recovery of VAT, net	(225,940)	(225,940)
Total expenditures	$ 32,567,467	$ 32,057,608

Cautionary Statement

All the above stated resource and grade estimates are historic in nature and were obtained from information provided by the Albanian government. The AGS historical calculations classify the resources in a combination of C1 & C2 categories, being based on the Russian deposit reporting system and are roughly equivalent to the NI 43-101 indicated and inferred categories respectively. These historical resources are not compliant with NI 43-101 and should not be relied upon. No qualified person has done sufficient work to classify the historical estimates as current mineral resources; and EVX is not treating the historical estimates as current mineral resources. EVX is including the historical estimates for information purposes only, and offers no assurances as to the reliability of the estimates. EVX will need to undertake a comprehensive review of available data, including drilling to verify the historic estimates and classify them as current resources.

Fred Tejada, P.Geo., a Qualified Person under the meaning of Canadian National Instrument 43-101 and an officer of EVX, is responsible for the technical content of this Management's Discussion and Analysis.

Results of Operations

The condensed consolidated interim financial statements reflect the financial condition of the Company's business for the period ended January 31, 2019. The significant events during the period which impact the financial results of the Company are discussed above in the performance summary.

During the nine month period ended January 31, 2019, the Company incurred a net loss of $2,357,153 as compared to a net gain of $8,449,262 for the period ended January 31, 2018. This included exploration expenditures on the Albanian project of $509,525 (2018 - $414,263). Refer to the Cumulative Exploration Expenditures table above for a breakdown of the exploration expenditures to date.

General expenses totaled $1,843,619 for the period ended January 31, 2019 compared to $453,915 for the period ended January 31, 2018. General expenses included $164,154 (2018 - $nil) of non-cash transactions relating to the granting and vesting stock option grant. General expenses with significant increases include:

- Directors fees increased to $97,500 (2018 - $nil). Subsequent to the restructuring and refinancing the Company commenced paying directors fees in order to attract and retain the necessary expertise to the Company.
- The Company incurred investor relations and shareholder communication fees of $940,500 (2018 - $60,400). The increase related to increased activity post the EBRD settlement, refinancing, share consolidation and the name change. The Company entered into an agreement on the Skroska project and is focused on the exploration of electrification metals and will require additional financing.
- Management and consulting fees decreased by $802,125 to $141,875 (2018 – $224,000). The decrease was a result of decreased consulting activities. During the prior year the Company completed the name change, share-consolidation and the ramp up of exploration and financing activities.
- Professional fees increased by $98,776 to $197,909 (2018 - $99,133). The increase relates to the increased activity of the Company, including the Skroska acquisition.
- Share-based compensation increased to $164,154 (2018 – $nil). During the current period the Company granted 390,000 stock options to certain advisors and directors of the Company, with a fair value of $101,647. In addition, certain options granted during the prior year vest over a 12 month period, accordingly $62,507 has been expensed during the period.
- Travel expenditures increased to $211,360 (2018 – $25,617). This related to increased activity for the Company, including the financing, administrative, acquisition and exploration activities.

Other Items totaled a loss of $13,009 for the period ended January 31, 2019 compared to a net income of $9,317,440 during the period ended January 31, 2018. During the current period the Company recorded a foreign exchange loss of $13,009. During the comparative period the Company recognized accretion expense of $121,002, foreign exchange loss of $227,322, unrealized gain on derivative liability of $91,844 and interest and finance costs of $99,846 relating to the convertible note which was settled during December, 2017. The EBRD convertible note is discussed in more detail in Note 7 of the condensed consolidated interim financial statements.

Summary of Quarterly Results

The following table summarizes the quarterly results for each of the three month periods ended:

		January 31, 2019		October 31, 2018		July 31, 2018		April 30, 2018
Total assets	$	123,025	$	259,592	$	870,980	$	1,583,412
Working capital (deficiency)		(690,484)		(245,518)		554,797		1,011,715
Shareholders equity (deficiency)		(690,484)		(242,518)		554,797		1,011,715
Exploration expenditures		130,717		97,955		280,853		850,138
Net income (loss)		(839,474)		(850,179)		(667,500)		(2,900,888)
Net income (loss) per share - basic		(0.02)		(0.02)		(0.02)		(0.07)
		January 31, 2018		October 31, 2017		July 31, 2017		April 30, 2017
Total assets	$	1,299,653	$	63,530	$	82,942	$	50,103
Working capital (deficiency)		(338,857)		(12,299,299)		(11,850,285)		(11,852,704)
Shareholders deficiency		(285,664)		(12,260,106)		(11,821,092)		(11,823,511)
Exploration expenditures		312,648		45,234		56,381		224,131
Net income (loss)		8,895,857		(449,014)		2,419		(1,678,341)
Net income (loss) per share - basic		0.65		(0.04)		0.00		(0.15)

The following table shows the key identifiable factors that significantly affect changes in EVX's net loss and loss per share over the eight most recent quarters:

		January 31, 2019		October 31, 2018		July 31, 2018		April 30, 2018
Share-based payments	$	76,508	$	52,864	$	34,782	$	1,168,927
Convertible Debenture								
- Accretion		-		-		-		-
- Interest and financing		-		-		-		-
Office and miscellaneous		15,999		15,249		12,608		36,327
Unrealized (gain) loss on derivative liability		-		-		-		-
Loss (gain) on settlement of payables / receivables		-		-		-		(197,434)
Gain on settlement of convertible note		-		-		-		-
		January 31, 2018		October 31, 2017		July 31, 2017		April 30, 2017
Share-based payments	$	-	$	-	$	-	$	-
Convertible Debenture								
- Accretion		25,733		47,477		47,792		61,810
- Interest and financing		21,474		39,470		38,902		33,433
Office and miscellaneous		3,613		5,515		7,034		995
Unrealized (gain) loss on derivative liability		(24,289)		(34,289)		(33,066)		91,844
Loss (gain) on settlement of payables / receivables		(282,578)		-		-		186,728

Discussion of Quarterly Results

The variability in EVX's net loss over the last eight quarters resulted primarily from the changing levels in our exploration program, valuation of the derivative liability, accretion and interest on the convertible debenture, valuation of marketable securities, share-based compensation and office and administrative expenses. Changing levels in exploration program and general and administrative costs fluctuate independently according to field activities at our properties or general corporate activities. During the quarter ended January 31, 2019 the Company entered into the option agreement on the Skroska project. General and administrative activity was significantly higher post the debt-settlement, share consolidation and refinancing. Investor relations and shareholder communication activity as also increased significantly as the Company aims to raise awareness of the Company and its projects with the goal to raise additional funds to allow the Company to actively explore it projects and investigate new exploration projects.

Liquidity

EVX's mineral exploration and development activities do not provide a source of income and we therefore have a history of losses, working capital deficiencies and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide a complete interpretation of our valuation.

As at January 31, 2019, the Company had a working capital deficit of $690,484. This balance included a cash balance of $3,795 (April 30, 2018 - $1,337,942) to settle current liabilities of $813,509 (April 30, 2018 - $681,697) and receivables and prepayments of $119,230 (April 30, 2018 - $355,470).

To maintain liquidity in the future, the Company continues to investigate additional projects and financing opportunities and would consider raising capital via share issuances, additional debt facilities, joint venture arrangements, or a combination of these options. The Company has financed its operations to date primarily through the issuance of common shares, convertible debentures and loans payable.

Operating Activities: The Company does not generate cash from operating activities. Net cash used in the Company for operating activities, which includes exploration activities, for the period ended January 31, 2019 was $1,824,947 compared to $884,202 used during the period ended January 31, 2018.

Investing Activities: There were no investing activities during the period or the comparative period.

Financing Activities: During the period ended January 31, 2019 the Company completed a private placement and received subscriptions of $315,000. In addition the Company received subscriptions receivable of $175,800 (January 31, 2018 - $nil). During the period ended January 31, 2018, the Company issued shares for gross proceeds of $1,749,310. This was offset by $24,350 in share issuance costs. The Company also received loans from related parties of $155,800, which were subsequently repaid.

The condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital.

Related Party Transactions

The consolidated financial statements include the financial statements of the Company and its 100% owned subsidiaries:

Company	**Place of Incorporation**	**Effective Interest**	**Principal Activity**
Tirex Resources Sh.p.k	Albania	100%	Exploration and Evaluation
Tirex Resources (BVI No.1) Ltd	British Virgin Islands	100%	Inactive
Tirex Resources (BVI No.2) Ltd	British Virgin Islands	100%	Inactive

During the period ended January, 2019, the Company paid or accrued:

a) Fees of $123,750 (2018 - $71,250) to Fred Tejada, an officer and director of the Company, of which $61,875 (2018 - $35,625) is recorded in exploration expenditures and $61,875 (2018 - $35,625) in management fees.

b) Professional fees of $112,500 (2018 - $82,500) to Shoni Bernard, an officer of the Company and Red Fern Consulting Ltd., a company controlled by Jonathan Richards, an officer of the Company.

c) Directors fees of $97,500 (2017 - $1,050) to directors of the Company.

d) Recorded share-based compensation of $66,842 (2018 - $nil) relating to stock options granted to a director of the Company.

Included in accounts payable and accrued liabilities is $286,141 (April 30, 2018 -$123,430) due to officers, former officers and directors of the Company. Included in receivables and prepayments is $nil (April 30, 2018 - $7,000) prepaid to officers of the Company for travel expense.

Outstanding Share Data

As at the date of this report the Company had 43,063,126 common shares issued and outstanding.

The following incentive stock options and share purchase warrants were outstanding at January 31, 2019:

	Number	Exercise price	Expiry date
Stock options			
	43,500	$ 3.20	June 11, 2019
	166,000	0.50	June 11, 2019
	200,000	0.50	April 26, 2020
	25,000	2.50	June 5, 2020
	6,250	0.50	June 5, 2020
	3,345,000	0.50	April 26, 2023
	150,000	0.25	October 26, 2023
	240,000	0.30	November 1, 2023
Share purchase warrants			
	630,000	0.35	June 7, 2020

Contractual Obligations

Except as described herein or in the Company's consolidated financial statements at January 31, 2019, the Company had no material contractual obligations.

Off-Balance Sheet Arrangements

At January 31, 2019, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Proposed Transactions

Except as elsewhere disclosed in this document, there are no other proposed transactions under consideration.

Capital Resources

The Company has no commitments for capital expenditures at the date of this report.

The Company will continue to seek capital. In the past the Company has raised capital public markets by issuing common shares pursuant to private placements, through the issuance of convertible debentures and through loans payable. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices, changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions. Risks and uncertainties the Company considers material in assessing its financial statements are described below.

EVX will require additional funding.

At January 31, 2019, the Company held cash of $3,795 and accounts payable and accrued liabilities of $813,509. The Company will require additional funding and has historically relied upon equity subscriptions and the convertible debenture to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

EVX is subject to government regulation.

The Company's mineral exploration is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

EVX may be adversely affected by fluctuations in copper, cobalt and other metal prices.

The value and price of the Company's common shares, the Company's financial results, and exploration, development and mining activities of the Company, if any, may be significantly adversely affected by declines in the price of copper. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Infrastructure

Exploration, development and ultimately mining and processing activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, bridges, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its projects and could result in higher costs.

EVX does not and likely will not insure against all risks.

The Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause EVX to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

EVX may be subject to disputes.

The Company may be involved in disputes with other parties in the future, which may result in litigation or arbitration. The results of litigation or arbitration cannot be predicted with certainty. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company.

All industries, including the mining industry, are subject to legal claims that are with and without merit. Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on the Company.

EVX is dependent on key personnel.

The Company's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Company.

EVX's officers and directors may have potential conflicts of interest.

EVX's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. However, applicable law requires the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of directors, to refrain from participating in the relevant decision in certain circumstances.

Permits, licenses and approvals

In countries where we carry out exploration activities, the mineral rights or certain portions of them are owned by the relevant governments. These governments have entered into contracts with us, or granted permits or concessions that allow us to carry out operations or development and exploration activities there, but government policy could change. Any change that affects our rights to conduct these activities could have a material and adverse effect on the Company.

In addition, mineral exploration and mining activities can only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. The duration and success of each permitting effort are contingent upon many factors we do not control. In the case of foreign operations, governmental approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. There may be delays in the review process. There is no guarantee that we will be granted the necessary permits and licenses, that they will be renewed, or that we will be in a position to comply with all conditions that are imposed.

All mining projects require a wide range of permits, licenses and government approvals and consents. It is not certain that we will be granted these at all, or in a timely manner. If we do not receive them for our mineral projects or are unable to maintain them, it could have a material and adverse effect on the Company.

Joint venture partners

Mining projects are often conducted through an unincorporated joint venture or an incorporated joint venture company. Joint ventures often require unanimous approval of the parties or their representatives for certain fundamental decisions like an increase (or decrease) in registered capital, a merger, division, dissolution, amendment of the constitutional documents, and pledge of the joint venture assets, which means that each party to the joint venture has a right to veto any of these decisions, which could lead to a deadlock. We are subject to a number of additional risks associated with joint ventures, including:

- disagreement with a joint venture partner about how to develop, operate or finance the project;
- that a joint venture partner may at any time have economic or business interests or goals that are, or become, inconsistent with our business interests or goals;
- that a joint venture partner may not comply with the agreements governing our relationship with them;
- disagreement with a joint venture partner over the exercise of such joint venture partner's rights under the agreements governing our relationship;
- the possibility that a joint venture partner may become insolvent;
- the possibility that we may not be able to sell our interest in a joint venture if we desire to exit the joint venture; and
- possible litigation with a joint venture partner over matters related to the project.

Title to our mineral properties

We have investigated title to all of our mineral properties and, to the best of our knowledge we have or are entitled to title to all of our properties subject to the terms described in the MD&A and in our financial statements dated April 30, 2018. Challenges may be made to the title to any of our properties and, if successful, they could impair development and/or operations at our mines or projects. There is no assurance that title to any of our properties will not be challenged.

New laws and regulations, or amendments to laws and regulations relating to mineral tenure and land title and usage, including expropriations and deprivations of contractual rights, if proposed and enacted, may affect our rights to our mineral properties. There is no assurance that we will be able to operate our properties as currently permitted or that we will be able to enforce our rights with respect to our properties.

Corruption and bribery

Our operations are governed by, and involve interactions with, many levels of government in foreign countries. We may not be able to complete some business transactions if we are subject to corruption or demands for bribes. Like most companies, we are required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which we conduct our business. In recent years, there has been a general increase in both the severity of penalties and frequency of enforcement under such laws, resulting in greater punishment and scrutiny to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also any third party agents. If we find ourselves subject to an enforcement action or are found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed on us resulting in a material adverse effect on the Company.

Reputational risk

Damage to our reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and take care in protecting our image and reputation, we do not have control over how we are perceived by others. Any reputation loss could result in decreased investor confidence and increased challenges in developing and maintaining community relations which may have adverse effects on the Company and the price of the Company's securities.

Changes in Accounting Policies including Initial Adoption

The accounting policies applied in preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended April 30, 2018, except for the following:

Financial instruments

On May 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company's financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.

- The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings.

Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended April 30, 2019 and have not been applied in preparing these financial statements. The new and revised standards are as follows:

- IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is evaluating the effect of this standard on the Company's financial statements.

- IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Critical Accounting Policies and Estimates

EVX's accounting policies are described in Notes 2 and 3 of its annual audited consolidated financial statements for the year ended April 30, 2018. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of Estimates

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 the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

The carrying value and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share based compensation is subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition of mineral properties are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the profit and loss statement. The Company expenses costs related to the exploration and development of mineral properties and they are incurred.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial mining, or alternatively, sale of the respective areas of interest.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital. When vested options are forfeited or not exercised at the expiry date the amount previously recognized in share-based payments is revised from share-based payment reserve to deficit. Amounts recorded for forfeited or expired unexercised warrants are transferred to share capital.

Note Regarding Forward-Looking Statements

Except for historical information, this MD&A may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.

The factors that could cause actual results to differ materially include, but are not limited to, the following: EVX has no assurance that the licenses will be issued nor if issued, that they will be issued in a timely manner, general economic conditions; changes in financial markets; the impact of exchange rates; political conditions and developments in countries in which the Company operates; changes in the supply, demand and pricing of the metal commodities which the Company hopes to find and successfully mine; changes in regulatory requirements impacting the Company's operations; the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties.

This list is not exhaustive and these and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements.

This MD&A contains certain forward-looking statements. Although forward-looking statements and information contained in this MD&A are based on the beliefs of EVX management, which we consider to be reasonable, as well as assumptions made by and information currently available to EVX management, there is no assurance that the forward-looking statement or information will prove to be accurate. The forward-looking statements and information contained in this MD&A are subject to current risks, uncertainties and assumptions related to certain factors including, without limitations, obtaining all necessary approvals, feasibility of mine and plant development, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events as well as risks, uncertainties and other factors discussed in our quarterly and annual and interim management's discussion and analysis. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements and information may vary materially from those described herein. Accordingly, readers should not place undue reliance on forward-looking statements and information contained in this MD&A. We undertake no obligation to update forward-looking statements or information except as required by law. The mineral resources referred to in this document are historical in nature, and EVX has not reported any current mineral resource (as defined in NI 43-101) and there are no NI 43-101 compliant technical reports prepared in respect thereto.