



## **Magna Terra Minerals Inc.**

(formerly Brionor Resources Inc.)

### **Management's Discussion and Analysis of the**

### **Financial Condition and Results of Operations**

**For the three and six months ended February 28, 2018**

**MAGNA TERRA MINERALS INC.**  
(formerly Brionor Resources Inc.)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This management discussion and analysis ("MD&A") has been prepared based on information available to Magna Terra Minerals Inc. (formerly Brionor Resources Inc.) ("Magna Terra" or the "Company") as at April 27, 2018. The MD&A of the operating results and financial condition of the Company for the three and six months ended February 28, 2018, should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and six months ended February 28, 2018 (the "Financial Statements") and the audited financial statements and the related notes for the year ended August 31, 2017. The Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on the Company's website [www.magnaterraminerals.com](http://www.magnaterraminerals.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Nature of activities and corporate strategy**

Magna Terra is incorporated under the *Canada Business Corporations Act*. The Company is a Canada based, gold/silver focused precious metals exploration company, with a strategic interest in the horn of South America. In May 2017, Magna Terra completed the acquisition of a significant exploration portfolio (103,000 hectares, sub-divided into 8 projects) on the prolific yet underexplored Deseado Massif in the Province of Santa Cruz, Argentina. The Company believes Argentina, with a rapidly improving political environment and aggressive reforms that have already taken place during the past two years, creates an emerging place for its business. The tone has been set for the return of investment capital to the country and specifically to the mineral resource sector. Magna Terra is positioned to capitalize on this environment and has assembled an experienced team to advance this highly prospective exploration portfolio in the near term.

The Company also has three early stage exploration properties in the province of Quebec, Canada.

The Company's strategy is to rely on a highly skilled, creative and focused exploration and management team to discover and acquire early stage projects where it can add value quickly. It believes in focusing on geographies with workable logistics and mining infrastructure where prospective land is accessible both physically and politically. By leveraging superior prospecting, technology and interpretational skills, the Company is looking for high value low cost ounces neighboring established mines and projects, which give high potential for joint venture and offtake partners. The Company currently has 5 drill ready projects and has been in discussions with potential joint venture partners. The Company may also consider financing one or more drill programs to advance the project portfolio, given the strong upside potential for discovery. The Horn of Latin America includes a good variation of deposit types in low altitude areas with good and improving road networks and a strongly developing mining culture and infrastructure.

### **Recent activities**

The implementation of the current strategy has recently included the completion of 138 line km of ground magnetic, 44.5 line km of IP and 7.5 line km of CSMT geophysical surveys on Piedra Negra, Covadonga, El Meridiano, Gertrudis, and La Rosita, as well as a detailed soil campaign on Covadonga. This has led to the Company currently having defined drill targets, and a fully planned and costed drill program, ready for first phase drilling on 5 projects with one more pending.

On May 5, 2017, the Company completed a share purchase agreement (the "Agreement"), dated March 1, 2017 with Atala, and the shareholders of Atala (the "Atala Shareholders") along with a private placement financing of 13,720,928 units of the Company for gross proceeds of \$686,046 (see below).

On June 19, 2017, the Company completed the second tranche of its private placement for gross proceeds of \$108,500 bringing the total amount raised to \$794,546.

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## **Exploration activities**

### **Santa Cruz Projects**

Magna Terra controls 103,000 hectares of exploration rights in the mining friendly Santa Cruz Province of Argentina. The concessions lie entirely within the highly prospective Deseado Massif which constitutes a world class "Large Igneous Province" (LIP) with outstanding epithermal precious metal mineralization associated with Jurassic volcanism and crustal extension. The Massif is located in the northern part of Santa Cruz Province and is in an early-stage of exploration and development. Mining infrastructure is developing rapidly and most of the Company's projects occur in close proximity to producing gold and silver mines such as Cerro Vanguardia, Cerro Negro, San Jose, Mina Martha, Manantial Espejo, Cerro Moro and the newly developed Don Nicolas.

We categorize our land packages as two main types:

- 1) Projects, where we can offer a joint venture with a proposed work program of drilling. These include Luna Roja (El Monte property), Signos (El Monte Property), Piedra Negra, Covadonga, Gertrudis, El Meridiano and La Rosita.
- 2) Prospects, where generative exploration is planned or underway, which include Katrina and Boleadora Group.

The Company recently completed ground magnetic, Induced Polarization (IP) and CSAMT programs on five projects enabling detailed planning and budgeting for each of them and thus permitting us to offer them for first phase drilling as turnkey projects under our management. The Company is also considering undertaking a financing to conduct one or more drill programs to advance the portfolio.

Of the "Project" category properties, the Luna Roja, Piedra Negra, Covadonga, El Meridiano and Gertudis projects have clearly defined and planned drill programs.

**Luna Roja** hosts structurally and stratigraphically controlled Au and Ag mineralization and has enjoyed significant investment in mapping, rock chip sampling, soil sampling and trenching in addition to an Induced Polarization program. The target area is centered on a manto shaped IP anomaly which is greater than 15 mV/V and has areas above 20 mV/V. The anomalies are accompanied by resistivity anomalies which are variable and range from slightly resistive to over 3,000 Ohms and form a target of approximately 2 km long by 500 m wide. There is a planned and budgeted 2,000 m drill program for this project.

**Piedra Negra**, which was discovered in January 2017, constitutes a zone of low sulphidation veins and stockworks in outcrop and float over a 2 km strike length and 700 m width. Prospecting around the initial discovery vein has resulted in 460 rock chip samples which define a mineralized footprint of 2.3 km by 700 m with gold values up to 16.02 ppm Au and an average of 0.47 ppm Au including 189 samples over 0.1 ppm. Microscopy studies on the vein material have shown that the Au mineralization occurs as free gold and electrum in silica. The now completed IP and ground magnetic programs, combined with surface sampling and geological mapping, support a planned 2,000 m drill program.

The **Covadonga** project exhibits a significant mineralized footprint from rock chips and soils with anomalous Au, Lead (Pb), Arsenic (As) and Mercury (Hg) over a 3 km strike length in veins and hydrothermal breccias. Trenching has revealed low level Au with a very high correlation coefficient to Pb in silica. A soil sampling program constituting over 696 samples plus QAQC has been completed as have IP and ground magnetics programs. The Company has recently completed microscopy and spectral analysis on a selection of vein and clay altered samples which reveal the project to be the upper part of a low sulphidation system. The combination of this data form the basis for further exploration including a 2,500 m drill program.

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The **Gertrudis** project is comprised of two mineralized structures which we refer to as the Gertrudis and David veins. These veins are some 300 m apart, sub parallel and steeply dipping and are comprised of silicified tectonic and volcanic breccias with argillic alteration halos. Low grade Au anomalies occur in both veins which are also associated with As, Antimony (Sb) and Hg anomalies. The Gertrudis vein is the more prominent of the two and extends for 800 m. This is a n-nw striking structure which is steeply dipping to the w-sw and is well exposed along most of its length. The David vein is exposed for 350 m and does not exhibit a measurable dip. Ground magnetic and IP surveys are now complete and have revealed a w-nw striking target at depth which cuts across the Au bearing portions of the Gertrudis and David Veins. The Company has identified drill targets for this project which constitute an initial 2,000 m drill program.

The **El Meridiano** project lies in the western part of an 8-10 km wide caldera, and the westernmost part of this feature is thought to be the site of 2.5 km wide circular diatreme complex. Andesitic to felsic tuffs in a 4 sq. km area are cut by gold-bearing hydrothermal breccias filling north to n-w trending fractures and faults. Virtually all samples of these breccias contain small to significant amounts of gold, As and Sb, but very little silver or base metals, suggesting that the mineralization is preserved at a high level of erosion. Drilling was carried out on the project in 2009 and 2010. Most holes hit one to several discrete intervals of at least 100 ppb Au and about one-third intersected wider intervals of weak mineralization interspersed with narrower higher-grade zones. Ten holes intersected "significant mineralization", here considered to be the equivalent of 1.5 meters (true thickness) of at least 340 ppb. A recently completed CSAMT survey shows that the area of mineralization sits above a large zone of resistivity in a half graben and that promising targets exist below the level of current drilling. A drill program of relatively deep, over 200 m length, drill holes is planned for this project.

**La Rosita** project occupies a basin measuring around 4 by 4 km which is formed in andesitic and dacitic volcanics and is the site of sedimentary deposition including limestones and siltstones with sinters, the latter of which are locally mineralized. The formation of this basin is the result of extension and wrenching related to major regional and district scale structures which strike n-ne, n-s, n-nw, n-w and w-nw. The formation of the basin provided a site of high potential for geothermal and hydrothermal fluid flow as well as the topography for sedimentation which would ultimately cover the favourable stratigraphy and much of the evidence of hydrothermal activity. The presence of mineralization in sinters accompanied by associated soft sediment deformation, implies an environment in which sedimentation was accompanied by geothermal activity in the Jurassic period. Hydrothermal fluids, associated with structures in the underlying volcanics, had to pass through this column of unfavourable stratigraphy before brecciating and mineralizing sinters at the surface. Drilling on the project, during 2010, produced multiple low grade Au intercepts. Of the 12 holes drilled, 5 hit one to several discrete intervals of at least 50 ppb Au and 2 holes intersected "significant mineralization", here considered to be the equivalent of 2 to 3 meters (not true thickness) of at least 700 ppb. We have recently completed an IP survey on selected target areas of the property and along with structural and stratigraphic analysis, this data is being evaluated for potential drill targets.

The **Signos project** (El Monte property), is at an early stage with prospecting and geological mapping revealing areas of veining and brecciation in Andesite and Rhyolite. A short east-west trench across a mineralized structure, in the Lambda Zone, revealed a fault-vein contact between felsic volcanic rock and andesite. Channel sampling of the fault-vein yielded 9 meters of 153 ppb Au equivalent, including 3 meters of 233 ppb Au. Another zone, known as the Alpha Zone, includes 30 samples from a 250 m long ridge where float and sub-crop are brecciated and silicified. Gold concentrations in the hundreds of ppb are common with one outlier reporting 26 ppm Au.

In addition to the defined projects we also have the **Boleadora** group to the south of Cerro Negro and the **Katrina** Cateo between Cerro Vanguardia and Cerro Moro. These properties constitute 60,000 hectares of prospective ground. During first pass prospecting, the Katrina Cateo revealed Au anomalies ranging from 20 ppb up to 1.5 ppm. The Company is currently working on a first pass exploration program on the

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Boleadora group properties which includes using proprietary remote sensing and data analysis techniques.

**Quebec Properties**

**Verneuil**

The Company holds a 50% interest (SOQUEM 50%) in 34 claims located approximately 15 km to the east of the Lebel-sur-Quevillon, district of Abitibi. A 2% net smelter return royalty on future production is attached to the property. During the 2015 exploration season (ending January 2016) SOQUEM proposed an exploration work budget of \$550,000, on the property. As of August 31, 2017, SOQUEM spent approximately 16.5% or \$90,636 of the agreed upon budget. The executed program consisted of 3D - inversion analysis of previous induced polarization geophysical surveys conducted on the property, followed by sampling and mapping of the resultant targets. The balance of the work budget, consisting mostly of drilling is expected to be completed in 2018.

**Noyell – gold project**

The Company holds a 100% interest in 49 claims located approximately 25 km south of Matagami, along the Douay-Cameron Corridor adjacent to the Vezza deposit, district of Abitibi.

**Matchi-Manitou – copper, zinc, gold and silver project**

The Company holds a 29% interest in 29 claims located in Tavernier and Pershing townships, district of Abitibi. The joint venture partner is the exploration manager for the property and is currently inactive on the property.

The Company holds interests and has capitalized cost in the following exploration properties.

	<b>Santa Cruz projects</b>	<b>Quebec projects</b>	<b>Total</b>
<b>Balance, August 31, 2016</b>	-	<b>5,722</b>	<b>5,722</b>
Acquisition of mineral properties	1,289,277	-	1,289,277
Expenditures	342,568	49,197	391,765
<b>Balance, August 31, 2017</b>	<b>1,631,845</b>	<b>54,919</b>	<b>1,686,764</b>
Acquisition costs	82,301	-	82,301
Expenditures	709,593	-	709,593
Translation adjustment	(124,080)	-	(124,080)
<b>Balance, February 28, 2018</b>	<b>2,299,659</b>	<b>54,919</b>	<b>2,354,578</b>

The above technical information was confirmed and/or reviewed by Richard Bedell, Geologist, Director, qualified person under NI 43-101.

**Summary of quarterly results**

	<b>February 28 2018</b>	<b>November 30 2017</b>	<b>August 31 2017</b>	<b>May 31 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	3,072,321	2,970,670	3,175,483	3,485,765
Shareholders' equity	2,628,412	2,723,363	2,982,840	3,303,691
Total revenues	-	-	-	-
Net income (loss)	(93,951)	(292,907)	(551,549)	(501,699)
Net income (loss) per share <sup>2</sup>	(0.00)	(0.00)	(0.01)	(0.01)

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	February 28 2017 \$	November 30 2016 \$	August 31 2016 \$	May 31 2016 \$
Total assets	2,699,538	2,270,329	2,323,329	1,800,553
Shareholders' equity	2,624,050	2,169,637	2,171,270	1,693,396
Total revenues	-	-	-	-
Net income (loss)	454,413	(2,631)	391,062	1,400,085
Net loss per share <sup>2</sup>	0.01	0.00	0.01	0.03

<sup>1</sup> The net income is derived from the sale of the Pitt Gold Property as well as the increase in the fair value of First Mining shares acquired as partial consideration from the sale of the Pitt Gold property.

<sup>2</sup> In periods of loss, net loss per share basic and fully-diluted are the same, as inclusion of options and/or warrants would be anti-dilutive.

**Financial highlights**

For the six months ended February 28, 2018

Net loss for the six months ended February 28, 2018 was \$553,430, which included unrealized foreign exchange losses of \$364,320, realized gains and unrealized losses on short term investments of \$256,518 and \$168,011 respectively. Other income of \$94,640 arises from the disposition of an inactive Argentine subsidiary. General and administrative expenses are detailed below.

For the three months ended February 28, 2018

Net loss for the three months ended February 28, 2018 was \$93,951, which included unrealized foreign exchange losses of \$341,765, realized and unrealized gains on short term investments of \$70,171 and \$83,739 respectively. Other income of \$94,640 arises from the disposition of an inactive Argentine subsidiary. General and administrative expenses are detailed below.

General and administrative	For three months ended February 28		For six months ended February 28	
	2018 \$	2017 \$	2018 \$	2017 \$
Consulting fees	16,500	-	33,000	-
Geologic consulting	756	3,046	11,001	3,046
Shareholder services	2,252	24,471	8,010	25,820
Insurance	2,402	2,110	8,753	4,220
Listing fees	8,160	8,400	8,555	10,184
Office	4,476	638	12,335	1,477
Rent	7,500	-	15,000	-
Conferences and promotion	21,206	889	28,201	889
	<b>63,252</b>	<b>39,554</b>	<b>124,855</b>	<b>45,636</b>

**Liquidity, working capital and capital resources**

As at February 28, 2018, the Company had cash and cash equivalents of \$32,733 (August 31, 2017 - \$140,047) and a working capital surplus of \$212,753 (August 31, 2017 - a surplus of \$1,209,920), an accumulated deficit of \$3,413,784 (August 31, 2017 - \$3,223,332) and cash flow used in operations for the six months ended February 28, 2018 was \$166,476 (six months ended February 28, 2017 - negative \$236,051).

The Company's primary sources of cash include the sale and option of its mineral properties, the sale of short-term investments and the issuance of common shares for cash. The Company's primary uses of cash include exploration and transaction financing costs and corporate administration. The Company has experienced historic losses and negative cash flows from operations both of which have raised concerns regarding its ability to continue as a going concern.

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**Investing activities**

During the six months ended February 28, 2018, the Company incurred \$791,894 in exploration expenditures related to its Santa Cruz properties.

**Financing activities**

During the quarter, the Company received a loan of \$200,000, on April 25, 2018 the loan was repaid.

The capital structure of the Company consists of all the components of shareholders' equity. To adjust or maintain its capital structure the Company may issue new common shares.

**Shareholders' equity**

**Share capital**

The Company is authorized to issue an unlimited number of common shares.

<b>Balance, August 31, 2017</b>	<b>70,203,393</b>
Common shares issued for mineral properties	250,000
<b>Balance, February 28, 2018</b>	<b>70,453,393</b>

**Warrants**

The composition of the outstanding warrants as at February 28, 2018 consists of the following:

	<b>Expiry date</b>	<b>Number</b>	<b>Exercise Price</b>
Warrants	May 5, 2019	13,720,928	\$0.08
Warrants	June 19, 2019	2,170,000	\$0.08
		<b>15,890,928</b>	

**Share based payments**

The Company has a 10% rolling stock option plan (the "Plan") whereby the Board of Directors may grant to employees, officers, directors, management, company employees and consultants of the Company or of its subsidiary thereof options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board. The exercise price of each option may not be lower than the market price of the common shares at the time of the grant of the options.

At February 28, 2018, the Company had 7,045,339 options available for issuance under the Plan.

	<b>Options #</b>	<b>Weighted average exercise price \$</b>
<b>Balance, August 31, 2016</b>	<b>2,550,000</b>	<b>0.06</b>
Issued	3,400,000	0.065
Issued	1,900,000	0.07
Expired	(650,000)	0.10
Cancelled	(1,900,000)	0.05
<b>Balance, August 31, 2017</b>	<b>5,300,000</b>	<b>0.07</b>
Issued	400,000	0.05
<b>Balance, February 28, 2018</b>	<b>5,700,000</b>	<b>0.07</b>
<b>Exercisable at February 28, 2018</b>	<b>5,400,000</b>	<b>0.07</b>

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A summary of the outstanding stock options is presented below:

<b>Date of grant</b>	<b>Remaining life</b>	<b>Number of options #</b>	<b>Exercise price \$</b>
May 18, 2017	4.23 years	3,400,000	0.065
August 9, 2017	4.46 years	1,900,000	0.070
September 7, 2017	4.54 years	400,000	0.050
		<b>5,700,000</b>	

On May 18, 2017, the Company granted 3,400,000 stock options with an exercise price of \$0.065 and expiring on May 18, 2022. The options have been valued using the Black-Scholes method with a risk free interest rate of 1.14%, expected volatility of 214%, dividend yield of nil and an expected life of 5 years, resulting in share based compensation of \$217,260.

On August 9, 2017, the Company granted 1,900,000 stock options with an exercise price of \$0.065 and expiring on August 9, 2022. The options were valued using the Black-Scholes method with a risk-free interest rate of 1.77%, expected volatility of 213%, dividend yield of nil and an expected life of 5 years resulting in share based compensation of \$130,730.

On April 18, 2017, 650,000 stock options expired unexercised.

On September 7, 2017, the Company issued 400,000 stock options to a director with an exercise price of \$0.05 for a period of 5 years.

**Outstanding share data**

The following describes the outstanding share data of the Company as at April 27, 2018:

	<b>Number outstanding</b>
Common shares	70,453,393
Options to purchase common shares	5,700,000
Warrants to purchase common shares	15,890,928
	<b>92,044,321</b>

**Transactions with related parties**

The Company defines its key management as the Board of Directors, Chief Executive Officer and Chief Financial Officer. For the six months ended February 28, 2018, \$145,003 was paid as management compensation (for the six months ended February 28, 2017 – \$48,000). Share based compensation awarded to key management for the six months ended February 28, 2018 was \$19,680 (for the six months ended February 28, 2017 - \$nil).

	<b>For the three months ended February 28</b>		<b>For the six months ended February 28</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Management fees	\$ 61,500	\$ 26,000	\$ 123,000	\$ 48,000
Directors fees	9,875	-	22,003	-
	<b>71,375</b>	<b>26,000</b>	<b>145,003</b>	<b>48,000</b>

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**Subsequent event**

On April 27, 2018, the Company completed the sale of 10,000,000 common shares of Northern at \$0.04 per share for gross proceeds of \$400,000 to Thorsen Fordyce Merchant Capital Inc., a company controlled by Lewis Lawrick, the President and CEO of the Company. The Company then paid off of the loan payable.

**Going concern assumption**

The Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

For the six months ended February 28, 2018, the Company had a net loss of \$533,430 (for the six months ended February 28, 2017 – net income of \$463,782), had used cash in operations of \$165,134 (used \$236,051 for the six months ended February 28, 2017), and as at February 28, 2018, had an accumulated deficit of \$3,776,762 (August 31, 2017 - \$3,223,332) and a working capital surplus of \$212,743 (August 31, 2017 – a surplus of \$1,209,920). During the year ended August 31, 2017, the Company completed the Atala Transaction and a private placement of 15,890,928 Units for gross proceeds of \$794,546.

To date there has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable. The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations; and the ability of the Company to raise alternative financing; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

**Capital management**

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs as well as ensuring that all flow-through funds obtained are utilized in exploration activities and spent by the required deadline. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company defines its capital as the shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy. The Company is subject to regulatory requirements related to the use of funds obtained by flow-through share arrangements. These funds have to be incurred for eligible exploration expenses. The Company has respected these regulatory requirements.

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**Risk and uncertainties**

Magna Terra is subject to a variety of risks, some of which are described below. If any of the following risks occur, the business, results of operations or financial condition could be adversely affected in a material manner.

**Credit risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

**Liquidity risk**

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As at February 28, 2018, the Company has \$32,733 in cash to settle current liabilities of \$442,909. On April 27, 2018, the Company completed the sale of 10,000,000 common shares of Northern for \$400,000 in cash. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing and/or the sale of its assets to meet its capital requirements.

Additional risks are as disclosed in the audited financial statements of the Company for the year ended August 31, 2017.

**Cautionary note regarding forward-looking information**

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

**Additional information and continuous disclosure**

This MD&A has been prepared as at April 27, 2018. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Management's responsibility**

Management is responsible for all information contained in this MD&A. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Financial Statements in all material aspects.

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Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Company's Board of Directors has reviewed and approved the financial statements with management.

April 27, 2018.

(signed) "Lew Lawrick"

Lew Lawrick  
President and Chief Executive Officer

(signed) "Errol Farr"

Errol Farr  
Chief Financial Officer