

XANDER RESOURCES INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

Suite 200 – 905 West Pender Street
Vancouver, BC V6C 1L6

Xander Resources Inc.
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For the years ended March 31, 2020 and 2019

July 8, 2020

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Xander Resources Inc. (the "Company"), and should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended March 31, 2020 and 2019, a copy of which are filed on the SEDAR website: www.sedar.com.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

DESCRIPTION OF COMPANY'S BUSINESS

Xander Resources Inc. is a junior mineral resource exploration company with its head office in Vancouver, British Columbia, Canada. The Company was incorporated pursuant to the Business Corporations Act of British Columbia on December 09, 2010. The Company's principal business is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The company currently has 100% interest in a mineral property in British Columbia. Subsequent to March 31, 2020, the Company entered into agreements to acquire interests in mineral properties in Quebec (see Subsequent Events). The head office, principal address and records office of the Company are located at Suite 200 – 905 West Pender Street, Vancouver, BC V6C 1L6.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital and convertible debentures. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

As January 31, 2020, the Company provided an update on the proposed Reverse Takeover Transaction ("the Transaction") with Merida Minerals Inc. (formerly 2649385 Ontario Inc.) and its wholly-owned subsidiary La Joya Minerals SLU. The Company was in advanced negotiations to finalize the structure and form of the definitive agreement which would form the basis upon which the parties will affect the transaction.

In connection with the Transaction, the parties intended to raise up to \$1,000,000 pursuant to a non-brokered private placement at a price of \$0.10 per share.

On March 16, 2020, the Company terminated the LOI, and continues to pursue other business opportunities.

OVERALL PERFORMANCE

MINERAL INTERESTS

On February 14, 2011, the Company entered into the Hot Property Agreement to acquire a 100% undivided interest in seven mineral tenures (consisting of 118 cells covering 3,343 hectares of 8,257 acres) situated in the province of British Columbia. The Hot Property Agreement was amended on June 3, 2011 (the "First Amendment") to add three additional tenures owned by a director.

In order to keep the right and option granted to the Company respecting the Property in good standing, the Company must do the following,

- a) pay to the Optionors \$15,000 (paid), upon signing the agreement;
- b) issue to the Optionors 150,000 common shares (issued on September 25, 2014 and valued at \$22,500) of the Company;
- c) on the first anniversary date (September 25, 2015) of the Company having been listed and called for trading on the Exchange, issue to the Optionors 150,000 common shares (issued on July 31, 2015 and valued at \$36,000); and
- d) on the second anniversary date (September 25, 2016) of the Company having been listed and called for trading on the Exchange, issue to the Optionors 150,000 common shares (issued on October 12, 2016 and valued at \$73,500).
- e) By issuing the last tranche of shares to the Optionors, the Company has exercised its option to gain 100% ownership of the Hot property. As of report date, 100% ownership in the property has been transferred to the Company.

During the year ended March 31, 2020, the management decided to impair the value of the property interest, consequently, an amount of \$452,236 has been charged as an expense to the income statement.

RESULTS OF OPERATIONS

For the year ended March 31, 2020 vs 2019

The Company had net and comprehensive loss of \$559,446 for the year ended March 31, 2020 (2019 – \$145,456). The Company's expenses included the following:

- Consulting fees of \$Nil (2019 - \$10,000) relate to fees paid to consultants of the Company for consultation on the Company's current and prospective projects and business development. These general consulting expenses cannot be directly attributed to any particular project and have therefore been expensed as general consulting.
- Management fees of \$42,000 (2019 - \$52,000) consist of accruals for fees to the CEO as discussed under the heading "Related Party Transactions".
- Professional fees of \$50,668 (2019 - \$44,915) relate to fees made for legal advice and guidance for the operations of the Company and its compliance to applicable laws as well as for the Company's financial recording and reporting activities. The increase was primarily due to the legal due diligence related to new projects.
- Transfer agent and filing fees of \$13,846 (2019 - \$17,228) relate to expenditures in connection with share capital activities and reporting of the Company.
- Impairment charges for exploration and evaluation assets of \$452,236 (2019 - \$Nil).

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For the three-month periods ended March 31, 2020 vs 2019

The Company had net and comprehensive loss of \$478,020 for the three months ended March 31, 2020 (2019 – \$45,097). The Company's expenses included the following:

- Management fees of \$10,500 (2019 - \$10,500) consist of accruals for fees to the CEO of as discussed under the heading "Related Party Transactions".
- Professional fees of \$14,601 (2019 - \$18,526) relate to fees made for legal advice and guidance for the operations of the Company and its compliance to applicable laws as well as for the Company's financial recording and reporting activities.
- Transfer agent and filing fees of \$8,331 (2019 - \$2,374) relate to expenditures in connection with share capital activities and reporting of the Company.
- Impairment charges of \$452,236 (2019 - \$Nil) relate to the value of the property interest impaired during the year.

SUMMARY OF QUARTERLY RESULTS

The Company's operating results from the last eight quarters are summarized as follows:

<i>Three months ended</i>				
	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(478,020)	(24,148)	(32,519)	(24,759)
Loss per share	(0.04)	(0.004)	(0.003)	(0.002)
<i>Three months ended</i>				
	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(45,097)	(21,152)	(43,333)	(35,874)
Loss per share	(0.003)	(0.002)	(0.004)	(0.004)

Over the past eight quarters comprehensive losses ranged from a high of \$45,097 in the fourth quarter of 2019 to a low of \$21,152 in the third quarter of 2019. Expenses have fluctuated within the normal range of \$20,000 to \$40,000 per quarter and vary quarter to quarter based on the timing of shareholder information activities and management services. The increase in the fourth quarter of 2019 is primarily due to an increase in accounting and legal fees incurred in the quarter ended March 31, 2019 for the costs related to the annual report, as well as debt settlement losses.

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future.

SELECTED ANNUAL INFORMATION

	31-Mar-20	31-Mar-19	31-Mar-18
Revenue	\$ -	\$ -	\$ -
Net loss	(559,446)	(145,456)	(106,732)
Loss per share	(0.05)	(0.01)	(0.01)
Working capital (deficiency)	(129,612)	(29,902)	(48,426)
Total assets	8,452	489,644	481,432
Total non-current liabilities	-	-	-

LIQUIDITY AND CAPITAL RESOURCES

As the Company is a start-up and its mineral exploration activities are at its infancy stage, the Company has to depend on its ability to procure sufficient funding through share offerings and financial support from related parties to support current and future expenditures. As at March 31, 2020, the Company had net working capital deficit of \$129,612 (March 31, 2019 – \$29,902) and a cumulative deficit of \$1,340,690 (March 31, 2019 - \$901,158). The cash component of working capital as at March 31, 2020 was \$452 (March 31, 2019 - \$31,448). As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities and debt in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis and the issuance of debt. This has permitted the Company to carry out limited exploration and address costs associated with the Offering and ongoing compliance expenses.

Share transactions for the year ended March 31, 2020:

As at March 31, 2020, there were 11,342,541 issued and fully paid common shares (March 31, 2019 – 11,292,541)

On October 22, 2019, the Company issued 50,000 common shares valued at \$0.15 per share pursuant to the exercise of the share options by one of its directors (See Transactions with Related Parties). The fair value of the options exercised was \$7,081.

Share transactions for the year ended March 31, 2019:

On June 26, 2018, the Company issued 454,545 common shares at a fair value of \$63,636 to an officer and a former officer of the Company to settle \$50,000 of accrued management fees. The Company recorded a loss of \$13,636 on the settlement of these debts.

On August 30, 2018, the Company closed a private placement previously announced on June 19, 2018 and August 3, 2018. The Company issued 1,020,000 units at a price of \$0.10 per unit for total gross proceeds of \$102,000. Each unit consists of one common share and one-half of one non-transferable common share purchase warrants. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.20 per share for a two-year period, expiring August 30, 2020. In connection with the private placement, the Company paid a cash commission totaling \$7,360 and issued 73,600 share purchase warrants to brokers ("Finder's Warrants"). Each Finder's Warrant entitles the holder to purchase one additional common share at a price of \$0.20 per common share for a period of two years, expiring August 30, 2020. The Finder's Warrants have an estimated fair value of \$1,641, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 2 years, volatility 83.56%, risk-free rate 2.11%, dividend yield 0%.

Detailed discussions related to the Company's cash flows

Year ended March 31, 2020

Cash balances decreased by \$30,996 during the year ended March 31, 2020 (2019 – increased by \$2,922).

During the year ended March 31, 2020, cash used in the operating activities was \$38,496 compared to cash used by operating activities of \$91,218 during the year ended March 31, 2019. The cash used in operating activities in 2019 decreased as there was decrease in the company's operating expenses namely,

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consulting fees, management fees, and professional fees. Other cash expenditures were comparable, as the management only incurred necessary compliance and operational expenses to conserve cash. Cash provided by financing activities amounted to \$7,500 (2019 - \$94,640) this year. Prior year's higher amount of cash provided by financing activities pertains to proceeds from the issuance of common shares. Cash used for investing activities amounted to \$Nil (2019 - \$500), Prior year's amount pertains to mineral exploration activities.

Stock options

A summary of share options outstanding is as follows:

	Options outstanding	Weighted Average Exercise Price	Weighted Average Years to Expiry
Balance at March 31, 2018 and 2019	875,000	\$0.16	0.82
Options exercised	(50,000)	-	-
Options cancelled	(100,000)	-	-
Options expired	(725,000)	-	-
Balance at March 31, 2020	-	-	-

On September 1, 2017, the Company granted its consultants the right to acquire 100,000 shares at a price of \$0.28 per share for a period of five years. The fair value of stock options granted was recorded as stock-based payments at the vesting date using the Black-Scholes option-pricing model with fair value of \$24,172. During the year ended March 31, 2020, the consulting agreement was terminated and the share options were cancelled.

On October 22, 2019, 50,000 options granted on September 25, 2014 were exercised by John Ostler, a director of the Company, at a price of \$0.15 per unit for total cash proceeds of \$7,500.

As of July 8, 2020, the Company had 1,175,000 stock options outstanding.

Warrants

A summary of changes in outstanding warrants is as follows:

	Warrants outstanding	Weighted Average Exercise Price
Balance at March 31, 2018	-	-
Granted	583,600	\$0.20
Balance at March 31, 2019 and March 31, 2020	583,600	\$0.20

During the year ended March 31, 2019, the Company granted 510,000 warrants to investors for the private placement closed on August 30, 2018 and 73,600 agent warrants to brokers as finder's fees. Each warrant is exercisable to one common share at a price of \$0.20 per share for a two-year period, expiring August 30, 2020.

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As of July 8, 2020, the Company had 583,600 warrants outstanding.

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OUTSTANDING SHARES

As of March 31, 2020, the Company had 11,342,541 issued and fully paid common shares.

	Number of shares	Share capital
Balance, March 31, 2018	9,817,996	\$ 934,896
Shares issued for private placement	1,020,000	102,000
Shares issued for debt settlement	454,545	50,000
Loss on debt settlement	-	13,636
Share issuance cost	-	(9,001)
Balance, March 31, 2019	11,292,541	\$ 1,091,531
Share options exercised	50,000	14,581
Balance, March 31, 2020	11,342,541	\$ 1,106,112

As of July 8, 2020, the Company had 12,989,383 issued and fully paid common shares outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at March 31, 2020 or as of the date of this report.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. Repayment terms, if any, are determined at the time of the advance.

Due to related parties:

	March 31, 2020	March 31, 2019
	- \$ -	- \$ -
Amount due to a company controlled by the former CFO	12,350	25,188
Amount due to the CEO	64,969	17,500
	77,319	42,688

As at March 31, 2020, the Company had \$77,319 (March 31, 2019 - \$42,688) due to companies controlled by the current CFO and the CEO of the Company.

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During the year ended March 31, 2020 and 2019, the Company incurred the following amounts through transactions with the current and former officials of the Company:

	March 31, 2020 - \$ -	March 31, 2019 - \$ -
Management fees	42,000	52,000
Accounting fees	-	12,804
	42,000	64,804

On June 26, 2018, the Company issued 272,727 common shares at a fair value of \$38,182 to the former CEO of the Company to settle \$30,000 of accrued management fees. The Company recorded loss of \$8,182 on the settlement of this debt.

On June 26, 2018, the Company issued 181,818 common shares at a fair value of \$25,454 to the former CFO of the Company to settle \$20,000 of accrued management fees. The Company recorded loss of \$5,454 on the settlement of this debt.

On October 22, 2019, a director of the Company, exercised 50,000 options at a price of \$0.15 per unit for total proceeds of \$7,500.

SUBSEQUENT EVENTS

On May 5, 2020, the Company granted 1,075,000 stock options to officers, directors, and consultants of the Company. The stock options are exercisable for 5 years from the date of issuance at a price of \$0.05 per share.

On May 15, 2020, the Company entered into an agreement to acquire a 100% interest in the Blue Ribbon Property (34 mineral claims). Pursuant to the terms of the agreement, on or before the closing date, the Company will issue 200,000 common shares of the Company (issued on June 16, 2020) and pay cash of \$2,652 (paid). The Company shall pay an aggregate of 2% net smelter return ("NSR") upon commencement of commercial production and the Company will have the right to purchase 0.25% of the NSR at any time for the aggregate amount of \$500,000.

On May 18, 2020, the Company entered into agreements to acquire a 100% interest in the Val-d'Or Senneville West Property and a 100% interest in the Val-d'Or Senneville East Property. Pursuant to the agreements the Company will:

- i. Issue 960,000 common shares of the Company (issued on July 6, 2020) and pay \$15,000 cash (not yet paid as of July 8, 2020) on or before the closing date;
- ii. Pay \$12,000 cash within 90 days of the closing date;
- iii. Issue 1,070,000 common shares of the Company and pay \$36,000 cash on the date that is 18 months from the closing date;
- iv. Issue 570,000 common shares of the Company and pay \$72,000 cash on the date that is 30 months from the closing date;
- v. Incur not less than \$625,000 of exploration expenditures within 36 months of the closing date, of which not less than \$175,000 will be incurred within 18 months of the closing date; and
- vi. Grant to the vendors a 2% net smelter return ("NSR") royalty on all mineral products sold from the property.

Closing of the transaction is subject to TSX-V approval.

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On May 20, 2020, the Company closed a non-brokered private placement of 10% unsecured convertible debentures ("the Convertible Debentures") at a price of \$1,000 for total gross proceeds of up to \$75,000. The Convertible Debentures will bear interest at 10% per annum, from the date of issuance, payable in arrears annually until the earlier of two years from the issuance date (the "Maturity Date"), or any conversion thereof. Each Convertible Debenture is convertible into one common share at a price of \$0.05 per share, at any time prior to the Maturity Date. At the option of the Company, interest may be paid in cash or by the issuance of common shares of the Company at a price equal to the market price. The Company may prepay, in cash, any or all of the Convertible Debentures at any time prior to the Maturity Date upon not less than thirty business days prior written notice for an amount equal to the principle amount of the Convertible Debentures then outstanding plus any accrued but unpaid interest.

On May 27, 2020, the Company entered into an agreement to issue 236,842 common shares at a deemed price of \$0.19 per share to settle outstanding debt of \$45,000.

On June 12, 2020, the Company announced that subject to the approval of the TSX Venture Exchange (the "Exchange"), it proposes to issue up to 4,000,000 units (the "Units") at a price of \$0.20 per Unit for aggregate gross proceeds of \$800,000 through a non-brokered private placement (the "Private Placement"). Each Unit will consist of one common share (a "Share") and one non-transferable common share purchase warrant (the "Warrants") with each Warrant exercisable for one (1) year from the date of closing at an exercise price of \$0.25 per Warrant, provided that in the event that the closing price of the Company's Shares on the Exchange (or such other exchange on which the Company's Shares may become traded) is \$0.33 per Share or greater during any fifteen (15) consecutive trading day period at any time subsequent to four months and one day after the closing date, the Warrants will expire at 4:00 p.m. (Vancouver time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the Warrants

On June 15, 2020, the Company granted 200,000 stock options to a consultant of the Company. These stock options are exercisable for 1 year from the date of issuance at a price of \$0.285 per share

On June 19, 2020, the Company granted 150,000 stock options to a consultant of the Company. These stock options are exercisable for 1 year from the date of issuance at a price of \$0.20 per share.

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies and critical accounting estimates, the readers are directed to Note 3 of the Notes to the audited financial statements for the years ended March 31, 2020 and 2019 that are available on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS

Financial Instrument Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

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a) 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 is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

b) 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 not exposed to any interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. This risk is assessed as high.

d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have foreign currency denominated financial instruments and is not exposed to foreign exchange risk.

e) Price risk

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company has no history of business or mining operations, revenue generation or production history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction 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 possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

No Mineral Reserves or Mineral Resources

The properties in which the Company holds an interest are considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

FORWARD-LOOKING STATEMENTS

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks that actual results of current exploration activities will differ, changes in project parameters as plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors, as outlined in the Company's preliminary long form prospectus filed on SEDAR. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current Directors and Officers of the Company are as follows:

Rodney Ireland, CEO and Director
James Fairbairn, CFO
Marsha Panar, Director
Dwayne Yaretz, Corporate Secretary and Director

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, continuing exploration and development activities on its mineral properties, and the Company's ongoing evaluation of possible projects.