

**MOUNTAIN BOY MINERALS LTD.**  
*(An Exploration Stage Company)*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2019**

## **OVERVIEW AND INTRODUCTORY COMMENT**

Mountain Boy Minerals Ltd. ("Mountain Boy" or the "Company") is a Canadian based mineral exploration company listed on the TSX Venture Exchange under the trading symbol "MTB". The Company is a Canadian based mineral exploration company with extensive property holdings in the Stewart Camp in the very prolific Golden Triangle of British Columbia.

The Company has four primary properties, namely the Barbara (BA) / Surprise Creek properties (silver-zinc-lead), the Red Cliff property (gold-copper-zinc-lead-silver), the American Creek West property (formerly Mountain Boy Silver property) (silver-zinc-lead) and the More Creek property (gold-silver-copper-lead-zinc).

This MD&A is dated October 22, 2019 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed interim financial statements and the related notes for the nine months ended August 31, 2019 and the Company's audited financial statements for the year ended November 30, 2018 and the related notes thereto

Additional information relevant to the Company and the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com), and/or on the Company's website at [www.mountainboyminerals.ca](http://www.mountainboyminerals.ca).

## **MAJOR QUARTERLY OPERATING MILESTONES**

### **Red Cliff Property**

On March 5, 2019, the Company reported that Decade had reported the final assay results from the 2018 drilling on the Red Cliff property. Highlights of drilling, as reported by Decade, include:

- 16.56 g/t gold over 5.12m in DDH-MON-18-50
- 13.90 g/t gold over 2.99m in DDH-MON-18-48
- 21.90 g/t gold over 1.83 m in DDH-MON-18-58
- 8.93 g/t gold over 6.1m in DDH-MON-18-67
- 13.58 g/t gold over 3.2 m DDH-MON-18-46

As of August 31, 2019, the Company has a balance payable to Decade of \$250,000 (subsequently \$100,000 was paid) (November 30, 2018: \$1,135,278) for joint venture exploration costs on Red Cliff which was included in due to joint venture partner and Decade owed \$nil (November 30, 2018 - \$37,521) to the Company for the reimbursement of expenses. The amounts owing between Decade and the Company are non-interest bearing and due on demand.

### America Creek West Project (formerly Mountain Boy Silver Property)

On March 1, 2019, the Company entered into an option agreement to acquire a 100% interest in the Dorothy property. The 878-hectare (8.78-square-kilometre) property is contiguous to the north of the Company's MB Silver property.

Pursuant to the terms of the agreement, the following share issuances and payments are required:

	Cash		Shares		Cumulative Exploration Work Commitments
5 days from TSXV approval	\$ 5,000	Paid	100,000	Issued	\$ -
March 1, 2020	15,000		100,000		\$ 50,000
March 1, 2021	25,000		150,000		\$ 125,000
March 1, 2022	25,000		200,000		\$ 200,000
March 1, 2023	50,000		250,000		\$ 500,000
<b>TOTAL</b>	<b>\$ 120,000</b>		<b>800,000</b>		

The MB Silver property hosts the historic high-grade Mountain Boy silver mine. The mine operated until 1939, and was accessed historically by packhorses from Stewart, BC, 24 kilometres away. Current access is by a 5-kilometre 4x4 road from Highway 37A. Mountain Boy conducted drill programs in 2006 and 2011. Significant intercepts included 8.53 meters of 2260 grams per tonne silver in DDH-2006-19 and 5.18 m of 5258.0 g/t Ag in DDH-2006-10 (Assessment Report 29066), and 396.33 g/t Ag over 4.57 m in DDH-2011-1 (Assessment Report 33036). Numerous mineralized veins, like those drilled in 2006 and 2011, have been identified on the property and have seen minimal modern exploration.

Another drill program in 2011 tested the Mann Vein with 2,381 metres in 36 holes. Results include 396 g/t silver over 4.57m in DDH-MB-2011-1. There are several other old mines and occurrences on the current MB Silver property.

The Dorothy property adjoins the MB Silver property on the north and includes a number of silver-bearing veins that are interpreted to be a continuation of the geological system on the MB Silver property. There is no record of drilling on the Dorothy property.

On March 19, 2019, the Company announced that it had an option to acquire a 100% interest in a portion of the Silver Crown property. Under the agreement with Auramex, the Company participated in an underlying option agreement, by which the two companies divide the property based on the relative areas, each taking portions adjacent to existing projects, with Auramex being responsible for 15% of the payments to the underlying owners and the Company being responsible for 85% of the payments. The Silver Crown option property is contiguous to the MB Silver project (including Dorothy) to the south and west.

Auramex and the Company have one director in common with the decision on this agreement determined by the other directors.

The underlying Auramex option of the Silver Crown property is an arm's-length transaction and, in order to exercise the option, Auramex must pay to the vendor a total of \$120,000 and 500,000 common shares of Auramex over a four-year period. The vendor retains a 2% net smelter return royalty, of which one-half can be purchased for \$1 million until 90 days after the start of commercial production, with an advance royalty commencing in 2026. Auramex is required to keep the property in good standing. The Company is required to pay Auramex back 85% of the payments that Auramex made in cash within 5 business days and for the payments Auramex made in shares, the Company will make an equivalent cash payment based on the value that Auramex records as the transaction.

	Cash	Shares
March 15, 2019	\$ 10,000	-
		Paid by Auramex and reimbursed by the Company
5 days from TSXV approval	-	100,000
		Issued by Auramex and reimbursed by the Company
March 15, 2020	15,000	100,000
March 15, 2021	20,000	100,000
March 15, 2022	25,000	100,000
	50,000	100,000
<b>TOTAL</b>	<b>\$ 120,000</b>	<b>500,000</b>

The Silver Crown property adjoins the Dorothy and MB Silver properties to the west, south and north.

Collectively, the MB Silver, Dorothy and Silver Crown properties are referred to as the American Creek West Project. Given the numerous mineralized showings and historic mines on the claims and immediately surrounding area, the historic fragmentation of the land holdings and recent encouraging results reported by Pretium Resources on their property adjacent to the north and by the Company on its holdings, management considers the American Creek West Project to be highly prospective and underexplored.

A highly successful field season has greatly expanded the geological understanding of the property. Areas of known mineralization were examined in more detail and new discoveries were made.

On July 11, 2019, the Company reported that the geological team has compiled compelling evidence that the same geological conditions related to the deposits in the prolific Premier Camp are present on the American Creek West property<sup>1</sup> ([See Figures 1 and 2](#)).

The abundance of gold-silver occurrences around the American Creek area has long been recognized. In addition to the historic Mountain Boy mine, two similar high-grade mines operated on the eastern side of American Creek and a gold-copper mine to the south. Several zones on the American Creek West property have yielded high-grade silver and base metal values, including drill hole MB-2006-10 which yielded 5.18 meters of 5258 g/t Ag (Assessment Report 29066).

The Mountain Boy geological team has incorporated results from the historic data and fieldwork from the last two seasons to develop a geological model for the American Creek corridor. Going forward, this model will help guide exploration and drilling. Two styles of mineralization have been recognized in the area.

- The first style is hosted in quartz breccia, quartz veins and associated stock-works surrounding the breccia zones. Quartz-sericite-pyrite alteration commonly envelopes this mineralization. The best gold and silver values are generally associated with intense silicification and various amounts of base metals, including lead, zinc and copper.
- The second style is massive barite veins with secondary quartz, carbonate and base metals. These veins often carry impressive silver values.

Mineralization has been found throughout the property including the Unuk River, Betty Creek and Mount Dilworth formations of the Lower Hazelton Group. The neighboring Stewart Camp mineralization is found in Unuk River formation, close to the transition into the Betty Creek formation. This stratigraphy occurs on the American Creek West project as well.

Conduits for the mineralizing fluids are faults and are often found in the hinge regions of the large scale folds identified on the property.

In 2018, the Mountain Boy team identified an intermediate to mafic intrusion in the bottom of the American Creek valley. This intrusion may possibly be an analog to the Texas Creek intrusion that is considered to be directly related to the Premier Camp mineralization.

The current model that Mountain Boy is working with is an intermediate sulfidation type epithermal deposit that is telescoping off a deeper-seated porphyry. The porphyry is the heat engine that is driving the hydrothermal systems that are responsible for mineralization. This is a similar to that of the Premier Camp.

Work is continuing to further refine and validate the emerging geological understanding. The first priority is in the American Creek valley:

- Samples from the intrusion are now at a laboratory for petrographic analysis.
- The field crew is testing the current geological interpretation through detailed geological and structural mapping.
- A two-kilometre-long section of the valley has been tested with a soil sample grid and prospecting, with results pending

A 1988 airborne magnetic and VLF-EM survey conducted over the western part of the American Creek West project area identified several VLF-EM anomalies. The author of the report stated that, in that the geological setting, the presence of VLF-EM conductors associated with faulting and magnetic highs suggests excellent potential for silver-gold vein-epithermal mineralization (Assessment report 17609). The survey results are being refined and the anomalous areas will be ground-truthed over the coming weeks.

Glacial retreat in the upper portions of the property has exposed ground in prospective areas that that were looked at for the first time.

Figure 1- ACW compiled geology from Mountain Boy and Geological Survey of Canada Open File 2931

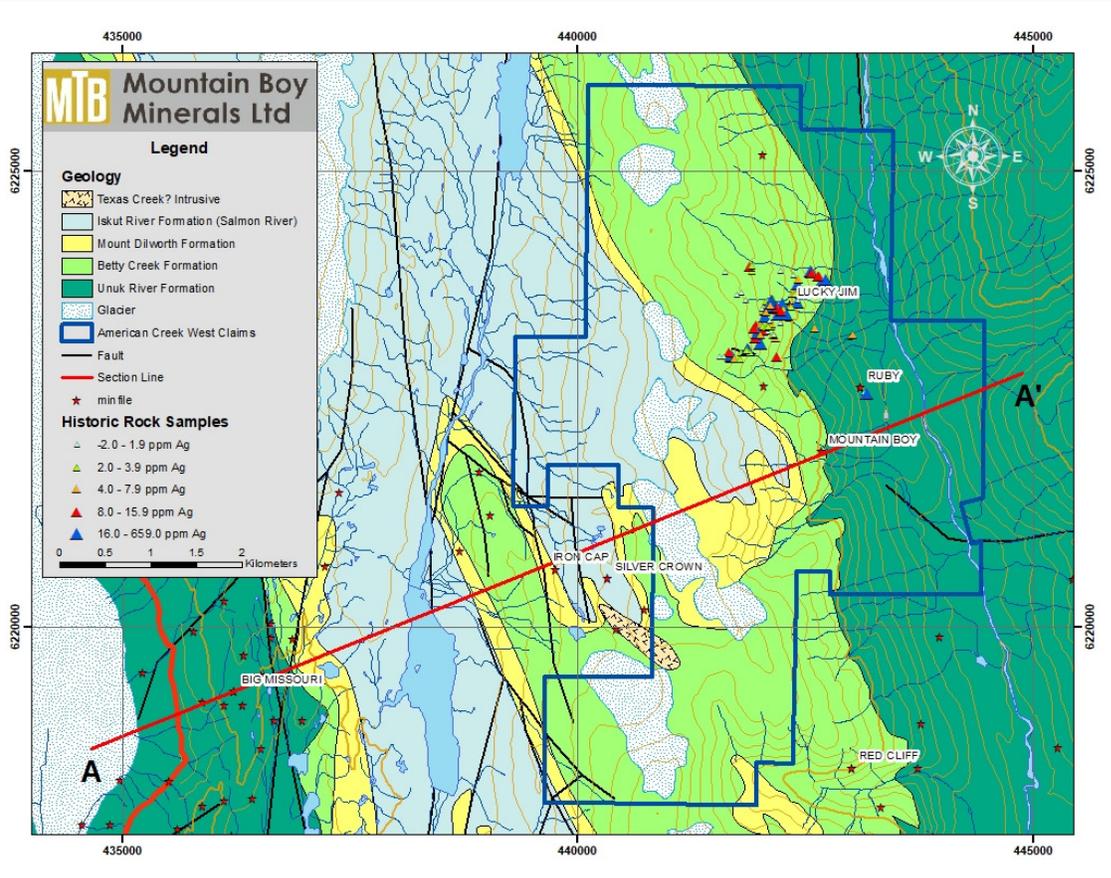
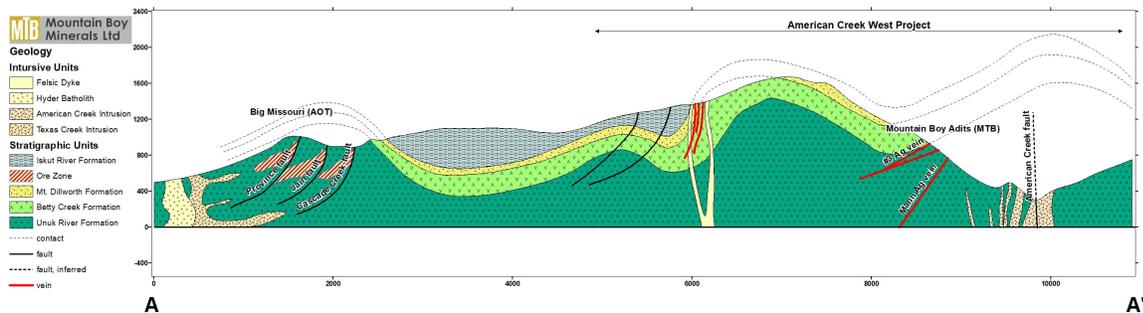


Figure 2-ACW cross section A-A' looking northwest



On August 27, 2019, the Company reported a new gold-silver discovery on its American Creek West project.

**Highlights:**

- A rock sample from the new discovery assayed 8.4g/t gold and 903 g/t silver.
- 61 of 63 samples from the zone were anomalous in at least two metals.
- The geological team is now refining targets in preparation for initial drilling.
- Targets include:
  - The new discovery;
  - Extension of the Mountain Boy mine;
  - The Maybe vein system north of the mine that has never been worked or drilled.

The Mountain Boy team has developed a new geological model, based on a century of historic results and two field seasons on the ground. It is now recognized that the extensive mineralization in the area is related to an intermediate sulfidation epithermal system. An intrusive body identified by the MTB team near American Creek is believed to be the magmatic heat source and the source of the metals. Geochronology and other studies are on going to further characterize that intrusive.

The geological setting, style of mineralization, nature of the intrusive body and the scale of the system has many similarities to the Premier Camp, located immediately to the west. The Premier Camp produced 2.5 million ounces of gold and 50 million ounces of silver from 1918 to 1996.

The new discovery area, located west of the Mountain Boy mine, was covered by glaciers during the early years of exploration along American Creek and has not seen recorded work in modern times. Guided by the emerging geological model, the team mapped and sampled a prospective area that resulted in the new discovery. Select sample results are presented in Table 1.

**Table 1: Select rock samples.**

Sample No	TypeSam	Ag (g/t)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Au (ppb)
KD19-155R	grab	<b>903</b>	214	<b>&gt;5000</b>	<b>7470</b>	<b>8440</b>
LT19-139R	float	<b>724</b>	687	<b>&gt;5000</b>	2670	16
LT19-162R	grab	<b>292</b>	38.7	1320	2620	<b>526</b>
LT19-161AR	grab	<b>283</b>	58.1	1060	3190	<b>889</b>
LT19-165R	grab	<b>72.8</b>	1880	<b>&gt;5000</b>	<b>30900</b>	50
LT19-170R	grab	<b>46.1</b>	544	<b>&gt;5000</b>	274	<b>362</b>
KD19-146R	grab	<b>35</b>	28.3	<b>&gt;5000</b>	<b>83100</b>	3
LT19-155AR	grab	<b>33.6</b>	44.4	<b>&gt;5000</b>	<b>&gt;100000</b>	-2
AW19-045	grab	24.2	29.7	944	1110	284
KD19-097BR	grab	23.3	471	<b>&gt;5000</b>	<b>55800</b>	190
KD19-097R	grab	18.3	212	<b>&gt;5000</b>	<b>28800</b>	184

AW19-025	float	14.6	>10000	41.3	255	3490
KD19-158AR	grab	14.3	6	>5000	10300	15
LT19-166R	grab	7.58	23	1230	1950	23
LT19-103R	proximal float	5.26	4940	55.5	1560	48
KD19-080R	float	4.27	4400	19.2	605	139
LT19-114R	grab	3.1	154	1960	1310	24
KD19-147R	grab	2.79	7	2000	4950	-2
LT19-100AR	proximal float	2.08	4210	19.3	281	195
LT19-102R	grab	1.55	84.2	34.4	59300	101
LT19-099R	proximal float	0.86	20.3	63.2	7160	8
LT19-101R	proximal float	0.86	29.5	399	10000	-2

Note: Assays shown as > represent over limits, which are currently being further analyzed.

These samples are characterized by an ore mineralogy suite that in part defines intermediate epithermal deposits (Sillitoe and Hedenquist, 2003). Ore minerals, such as acanthite, Ag-sulfosalts, low Fe sphalerite, galena, tetrahedrite-tennantite and chalcopyrite were identified in the field; the correlating assays to these samples exemplify the poly-metallic nature of the prospect. In addition to the ore mineralogy, several vein textures that further support the intermediate epithermal model were observed, such as open space filling textures, crustiform banding and carbonate replacement.

### Barbara (BA) and Surprise Creek Properties

On April 15, 2019, the Company issued 500,000 common shares to Great Bear Resources Ltd. pursuant to the June 1, 2017 option agreement.

On June 26, 2019, the Company reported that field work by the geological team on the Company's Surprise Creek property has produced further evidence for an extensive silver-lead-zinc Volcanogenic Massive Sulphide ("VMS") district. The latest discoveries are 1.6 and 3.4 kilometres north of the Ataman silver-lead-zinc zone and occur within similar stratigraphy. The two new discoveries feature galena and sphalerite mineralization; both zones are associated with barite or quartz veining. One of the zones occurs as sheeted quartz veins over 250 metres. The second zone occurs in a 50 to 100 metre wide area that appears to be underlying the Salmon River formation. These newly found occurrences are similar to others in this emerging district as well as to other well-established VMS districts. VMS style mineralization continues to be found along this 20-kilometre trend and the retreating glaciers continue to expose new outcrops. The present work is focused on defining the prospective ore horizon and developing future drill targets.

On September 30, 2019, the Company reported further new discoveries on the Surprise Creek property. Results from the first batch of prospecting samples from the summer field program have extended the known mineralized zones and identified additional zones of interest in this emerging VMS district.

**Highlights:**

- Assays from the Grunwald zone assaying up to 6.1 g/t gold and 196 g/t silver as well as base metal values of up to 0.111% copper, 1.49% lead and 15.1% zinc.
- Extension of the Ataman base metal - barite zone 700 metres to the south (Upper Ataman), with up to 0.3% copper, 5.46% lead, 1.24% zinc, 147g/t silver and 1.04 g/t gold.
- Two new base metal zones north of the Ataman zone with up to 17.3% lead, 6.45% zinc and 126 g/t silver.

Work by the Mountain Boy geological team over the past year, along with input from a leading authority in this type of geology (Dr. Bruce Gemmill) supports a geological model of an extensive VMS district encompassing the Surprise Creek property as well as MTB’s extensive BA property, located south of the highway.

The Surprise Creek and the BA properties are underlain by Jurassic Lower Hazelton intermediate and felsic volcanic rocks and Upper Hazelton clastic sedimentary rocks. Volcanogenic massive sulphide horizons and related feeder zones have been identified on the property and consist of barite, pyrite, sphalerite, galena, chalcopyrite, with significant silver and gold values. Mineralization has been traced along a north trending zone for eight kilometres extending from the historic Goat Mine in the south, through the Grundwald, Upper Ataman and Ataman showings and the newly discovered showings located on the next two ridges to the north.

The showings are believed to be hosted in the same package of rocks as the historic Eskay Creek deposit located 70 kilometres to the northwest, which exploited a stratiform volcanogenic massive-sulphide deposit at the base of the Salmon River Formation and produced 2.18 million tonnes of ore with an average grade of 46 g/tonne Au and 2267 g/tonne Ag (BC Geological Survey 2008). The contact between the Salmon River Formation and the underlying Mount Dillworth Formation has been mapped on the MTB property.

Select sample results are presented in Table 1.

Sample No	Zone	Au (ppb)	Ag (g/tonne)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Hg (ppm)
DG19-016R	Grunwald	<b>6100</b>	<b>44.4</b>	<b>1110</b>	835	<b>59000</b>	1220
DG19-012R	Grunwald	<b>5400</b>	20.5	502	80.3	239	400
DG19-011R	Grunwald	<b>978</b>	<b>196.0</b>	776	3260	<b>151000</b>	1350
AW19-007	Grunwald	<b>732</b>	<b>69.4</b>	784	577	191	230
KD19-049R	Grunwald	<b>582</b>	0.65	9.1	28.9	17.8	300

Sample No	Zone	Au (ppb)	Ag (g/tonne)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Hg (ppm)
KD19-070R	Grunwald	142	<b>125.0</b>	303	4330	<b>26800</b>	<b>&gt;10000</b>
LT19-097R	Grunwald	53	<b>54.3</b>	232	<b>12300</b>	1730	<b>5240</b>
LT19-089R	Grunwald	-2	25.4	76	<b>14900</b>	149	170
AW19-021	Upper Ataman	<b>1040</b>	3.25	119	503	2460	40
AW19-017	Upper Ataman	155	19.8	131	3230	<b>11200</b>	<b>3550</b>
AW19-023	Upper Ataman	131	<b>147.0</b>	189	<b>54600</b>	<b>11800</b>	<b>8830</b>
AW19-016	Upper Ataman	44	2.92	69.8	47.7	<b>12400</b>	630
AW19-018	Upper Ataman	38	2.84	38.9	491	<b>11200</b>	<b>1810</b>
DG19-021R	Upper Ataman	12	<b>39.1</b>	57.5	8000	<b>10400</b>	<b>2590</b>
DG19-023R	Upper Ataman	8	<b>106.0</b>	147	<b>29900</b>	4210	1370
DG19-022R	Upper Ataman	-2	<b>31.8</b>	<b>2990</b>	133	375	1850
DG19-005R	New Discovery	126	<b>121.0</b>	190	2110	<b>12100</b>	<b>&gt;10000</b>
DG19-007R	New Discovery	82	<b>162.0</b>	63.2	<b>173000</b>	<b>64500</b>	<b>&gt;10000</b>
DG19-006R	New Discovery	43	<b>76.8</b>	109	<b>12800</b>	<b>30900</b>	<b>4280</b>
LT19-011R	New Discovery	-2	<b>41.8</b>	61.9	<b>14700</b>	9860	<b>&gt;10000</b>
DG19-009R	New Discovery2	36	<b>82.4</b>	<b>1150</b>	<b>11800</b>	122	1210
AW19-002	Jagiello	-2	<b>57.4</b>	63.2	324	40.1	560

Assays are still pending for 82 rocks samples. The Surprise Creek Project is drill ready with identified targets and a drilling permit in place.

### More Creek Property

On September 18, 2019, the Company reported the acquisition, through staking and purchase, of a 100% interest in the More Creek property, located 40 km northwest of the historic Eskay Creek Mine.

Highlights:

- The last recorded exploration, in 1990, produced samples that assayed up to 13.58% copper, as well as encouraging values of lead, zinc, gold and silver.
- Receding glaciers has opened up large areas that have never been explored.
- The property has potential for precious metal veins, skarn and VMS-style mineralization.

The Company has compiled the available historic data and conducted an initial on-site review of the project. Similar mineralization to that described in the 1990 program was identified. Assay results are pending.

In 1990, Blue Gold Resources carried out a small exploration program of prospecting, geological mapping and rock sampling on the current claims. They identified two large gossans separated by a large glacier with pervasive silicification and pyrite alteration. Copper, lead, zinc, silver and gold mineralization was discovered within the alteration zones. Magnetite skarn mineralization with sphalerite and chalcopyrite was also discovered to the east of the large gossan. Rock samples from the 1990 program assayed up to 13.58% copper, 1.06% lead, 12.4% zinc, 2,500 ppb gold and 50.0 ppm silver. Samples were also anomalous in pathfinder elements such as antimony, arsenic, cadmium and bismuth (BC Assessment Report No. 21008).

Since 1990, the glacier separating the two gossans has retreated 1,200 metres and thinned substantially, exposing many new outcrops. The BC Assessment Report index contains no other records of work performed on the claims since 1990.

Sample Number	Au (ppb)	Ag (ppm)	Cu %	Pb %	Zn %	Sample Number	Au (ppb)	Ag (ppm)	Cu %	Pb %	Zn %
2228	<b>2500</b>	4.8	0.63		0.10	55946	160	5.2	0.44		<b>1.26</b>
31933	<b>1340</b>	2.4				55904	150	<b>17.3</b>	<b>1.18</b>		0.24
2170	<b>1280</b>	2.3	0.25			55929	130	3.8			<b>12.40</b>
31940	<b>1260</b>	<b>21.1</b>				55945	120	4.2	0.19		<b>2.94</b>
31941	<b>1260</b>	<b>41.4</b>				55943	100	5.9	<b>1.37</b>		
2111	<b>1060</b>	<b>10.5</b>			0.78	31948	90	2.9	<b>7.85</b>		<b>4.22</b>
31944	<b>1060</b>	<b>20.1</b>			0.25	55909	90	4.7	<b>1.73</b>		
55601	<b>910</b>	<b>11.0</b>		0.49	0.16	55938	70	3.5	0.13		<b>4.48</b>
31946	<b>900</b>	<b>34.0</b>	0.73	0.21	0.55	2145	60	7.9	<b>1.20</b>		<b>2.37</b>
2175	<b>870</b>	<b>50.0</b>	<b>3.75</b>			55907	50	<b>32.0</b>	<b>13.58</b>		0.34
31923	<b>810</b>	0.4				55908	50	6.9	<b>2.57</b>		0.13
31932	<b>760</b>	5.9				55905	40	<b>15.6</b>	<b>4.86</b>		0.27
55602	<b>750</b>	<b>28.0</b>				55919	40	<b>11.8</b>	<b>2.23</b>		
55903	<b>740</b>	8.7			0.12	55921	30	5.2	<b>9.67</b>	0.18	<b>9.67</b>

55941	720	11.1	0.44			55931	20	5.2	1.18	1.06	3.40
55937	560	20.1	1.82		0.23	30507	10	8.1	1.22		
31937	400	10.7				28205	-10	0.6		0.34	2.56

Table 1- Significant Assays from 1990 Program

Acquisition Terms: Six tenures, comprising 4,140 hectares, were acquired outright from an arms-length party in return 160,000 shares of Mountain Boy (subsequently issued), subject to regulatory approval. A further 4 tenures, comprising 828 ha, were staked by or on behalf of Mountain Boy.

## CORPORATE

On April 23, 2019, the Company announced the appointment of Lucia Theny as VP Exploration.

## QUATERLY FINANCIAL CONDITION

### Capital Resources

On July 10, 2019, the Company granted 400,000 stock options at an exercise price of \$0.21 per share for a period of five years to its officer.

The Company has \$120,190 as reclamation bonds.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants and options, along with the planned developments within the Company as well as with its JV partners will allow its efforts to continue throughout 2019. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

### Liquidity

As at August 31, 2019, the Company's working capital was \$1,105,957 (November 30, 2018 - \$2,941,281). With respect to working capital, \$267,924 was held in cash (November 30, 2018 - \$160,313). The increase in cash was mainly due to the proceeds from the sale of marketable securities of \$1,535,874 and British Columbia Mining Exploration Tax Credit of \$83,387 received; while being offset by the \$210,996 used in operations and \$1,299,174 used in the exploration and evaluation assets, including increasing its reclamation bonds and \$1,480 used in share issuance costs.

### Operations

During the three months ended August 31, 2019, the Company reported a loss of \$253,901 (\$0.01 loss per share) (2018 - \$904,929 (\$0.03 loss per share)).

Excluding the non-cash share-based payment of \$82,960 (2018 - \$856,440), the Company's general and administrative expenses amounted to \$56,249 during the three months ended

August 31, 2019 (2018 – \$48,757), an increase of \$7,492. The Company has been monitoring its use of cash and has been actively seeking ways to conserve cash.

The other major items for the three months ended August 31, 2019, compared with August 31, 2018 was:

- Fair value gain on marketable securities of \$223,133 (2018 - \$nil); and
- Realized loss on marketable securities of \$338,321 (2018 - \$nil).

During the nine months ended August 31, 2019, the Company reported a loss of \$1,474,970 (\$0.04 loss per share) (2018 – \$1,021,033 (\$0.03 loss per share)).

Excluding the non-cash share-based payment of \$82,960 (2018 - \$856,440), the Company's general and administrative expenses amounted to \$173,028 during the nine months ended August 31, 2019 (2018 – \$166,152), an increase of \$6,876. The Company has been monitoring its use of cash and has been actively seeking ways to conserve cash.

The other major items for the nine months ended August 31, 2019, compared with August 31, 2018 was:

- Gain on settlement of debt of \$172,575 (2018 - \$nil);
- Fair value loss on marketable securities of \$1,020,907 (2018 - \$nil); and
- Realized loss on marketable securities of \$373,926 (2018 - \$nil).

## **SIGNIFICANT RELATED PARTY TRANSACTIONS**

During the quarter, there was no significant transaction between related parties.

## **COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES**

As of the date of this MD&A, other than disclosed in this MD&A – Quarterly Highlights, the Company has does not have any commitments, expected or unexpected, or uncertainties.

## **RISK FACTORS**

In our MD&A filed on SEDAR March 29, 2019 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors *Exploration risks*, *Market risks* and *Financing risk* which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

**DISCLOSURE OF OUTSTANDING SHARE DATA**

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at August 31, 2019:

	Issued and outstanding	
	August-31-19	October-22-19
Common shares outstanding	34,910,382	35,070,382
Stock options	3,400,000	3,400,000
Warrants	1,926,000	640,000
Fully diluted common shares outstanding	40,236,382	39,110,382

**QUALIFIED PERSON**

Mr. Andrew Wilkins, P.Geo, is a Qualified Person, as defined by National Instrument 43-101. Mr. Andrew Wilkins has reviewed the technical contents of this MD& A.

**Cautionary Statements**

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.