

MOUNTAIN BOY MINERALS LTD.
(An Exploration Stage Company)
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2020

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 property (formerly Mountain Boy Silver property) (silver-gold-zinc-lead) and the Southmore Creek property (gold-silver-copper-lead-zinc).

This MD&A is dated October 26, 2020 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, 2020 and the Company’s audited financial statements for the year ended November 30, 2019 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, and/or on the Company’s website at www.mountainboyminerals.ca.

MAJOR QUARTERLY OPERATING MILESTONES

American Creek Property

On May 21, 2020, the Company confirmed district-scale silver-gold potential of the American Creek property, located in the Golden Triangle of British Columbia, 20 kilometres north of the deep-water port of Stewart. The confirmation was based on the property’s rich mining history and the issuance of a new geological model that reflects historic data, recent searches, and current exploration.

On May 27, 2020, the Company announced resuming its phase 1 exploration with phase 2 planned for later in the season.

The Company continues to follow precautionary measures to manage and respond to the risks associated with COVID-19. These include following guidance and directives as updated by federal, regional and provincial health authorities in respect of general and site-specific protocols.

On August 6, 2020, the Company announced that geophysical crews were mobilized to Stewart to conduct a Volterra IP Survey over the Wolfmoon target on the American Creek Project. The survey was designed to provide resistivity and conductivity data to help guide the drill program slated to begin in early September.

On September 16, 2020, the Company announced that that the 4,000-metre drill program on the property began and on September 29, 2020, the Company announced that a second drill rig arrived on site to help accelerate the completion of the drill program.

The 2020 American Creek drill program is designed to target three areas, MB Silver, Wolfmoon and Dorothy.

MB Silver target:

The MB Silver target is in the vicinity of the historic Mountain Boy Silver mine and is designed to follow up on the 2006 drill program, which intersected multi-kilogram silver values over significant widths, including 5.18 metres of 5,258 g/t silver (MTB news release January 30, 2007). The drilling is intended to test for continuity of the high-grade zone both along strike and at depth. The untested Franmar vein will also be drilled.

Dorothy target:

The Dorothy target is the northern extension of the MB Silver veins which strike onto the recently optioned Dorothy property. On-going geological work, including mapping and structural interpretation, is enhancing the understanding of the mineralization and the orientations of these multiple silver-bearing veins. Drilling is planned for both the Maybee zone and the untested Upper Ruby Zone.

Wolfmoon target:

The IP survey focused on the recently discovered Wolfmoon target where prospecting yielded assays of 28.5 g/t gold and 1,200 g/t silver from samples collected in the 2019 field program. (see News Release January 14th, 2020). The mineralization occurs within an extensive structurally controlled alteration zone, which has recently emerged from ice cover. IP surveys have been useful in a similar geological setting on Ascot Resources' Premier Gold property, immediately to the west. The IP survey has helped identify the orientation and width of the mineralized structures sampled at surface, optimizing the prospects of intersecting mineralization with the drilling.

Barbara (BA) Property

On June 29, 2020, the Company announced that the Company's exploration program this summer would include further work at BA, where previous drilling had outlined a large low-grade silver-zinc-lead occurrence. The geological team will be ground-truthing several geophysical anomalies at BA as well as following up on 2016 trenching at the north end of the Barbara Zone.

On August 21, 2020 Great Bear Resources Ltd. ("Great Bear") agreed to accept 620,000 shares of Mountain Boy in settlement of the \$350,000 final scheduled payment under an agreement by which the Company re-acquired from Great Bear a 50% interest in the BA project and the Surprise Creek project. Mountain Boy has no further obligations to Great Bear other than the payments related to reaching certain milestones (including completing a resource estimate, completing a prefeasibility study and the commencement of mine development).

QUATERLY FINANCIAL CONDITION

Capital Resources

The Company has \$155,954 as reclamation bonds.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

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 2020. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

On July 7, 2020, the Company closed \$2,000,000 unit ("Unit") financing by issuing 8,000,000 Units at \$0.25 per Unit. Each Unit comprised of one common share and one-half of one common share purchase warrant. Each full warrant is exercisable to acquire one common share at a price of \$0.40 per warrant share expiring on July 7, 2022. Finders' fees of \$18,570 in cash and 74,280 finder's warrants were paid. Each finder's warrant is exercisable into one common share at \$0.25 until July 7, 2021.

On July 15, 2020, the Company issued 4,166,669 flow-through shares at \$0.30 per share for gross proceeds of \$1,250,000. Finder's fees of \$44,430 in cash were paid. The net proceeds of the offering are used for exploration of the Company's projects in BC's Golden Triangle, including planned drilling of the American Creek property.

During the three months ended August 31, 2020, 440,000 options were exercised at a price of \$0.25 by two directors of the Company.

On August 21, 2020, the Company issued 620,000 common shares with a fair value of \$350,000 to Great Bear pursuant to the June 1, 2017 option agreement.

On October 23, 2020, 100,000 warrants with an exercise price of \$0.30 were exercised.

Liquidity

As at August 31, 2020, the Company's working capital was \$3,666,242 (November 30, 2019 - \$596,374). With respect to working capital, \$2,899,856 was held in cash (November 30, 2019 - \$169,653). The increase in cash was due to the proceeds from the sale of marketable securities of \$265,034 and net proceeds from the issuance of common shares of \$3,472,582 while being offset by \$500,474 used in operations, \$35,000 paid for reclamation bonds and \$471,939 used in the exploration and evaluation assets.

Operations

During the three months ended August 31, 2020, the Company reported a net loss of \$537,732 (\$0.01 loss per share) (2019 - \$253,901 (\$0.01 loss per share)).

The Company's general and administrative expenses amounted to \$632,441 during the three months ended August 31, 2020 (2019 - \$139,209), an increase of \$493,232 mainly due to the stock based compensation of \$499,375 (2019 - \$82,960), increase in management fees (from 2019's \$10,500 to 2020's \$32,250) and increase in shareholder communications (from 2019's \$3,897 to 2020's \$29,454) because more of the Chief Executive Officer ("CEO")'s amounts were being allocated to general administrative expenses as opposed to the properties as the CEO marketed the Company to the investors. The Company continues to monitor its use of cash and has been actively seeking ways to conserve cash.

The other major item for the three months ended August 31, 2020, compared with August 31, 2019 was:

- Fair value gain on marketable securities of \$99,548 (2019 - fair value gain of \$223,133); and
- Realized loss of marketable securities of \$4,825 (2019 - \$338,321).

During the nine months ended August 31, 2020, the Company reported a loss of \$439,714 (\$0.01 loss per share) (2019 - \$1,474,970 (\$0.04 loss per share)).

The Company's general and administrative expenses amounted to \$846,640 during the nine months ended August 31, 2020 (2019 - \$255,988), an increase of \$590,652 mainly due to the stock based compensation of \$543,550 (2019 - \$82,960) and the increase in management fees (from 2019's \$21,100 to 2020's \$67,350) and increase in shareholder communications (from 2019's \$15,067 to 2020's \$41,124) because more of the CEO's amounts were being allocated to general administrative expenses as opposed to the properties as the CEO marketed the Company to the investors. The Company also incurred \$42,590 in consulting fees (2019 - \$nil) for corporate advisory services. 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, 2020, compared with August 31, 2019 was:

- Gain on settlement of debt of \$nil (2019 - \$172,757);

- Fair value gain on marketable securities of \$490,076 (2019 - fair value loss of \$1,020,907); and
- Realized loss of marketable securities of \$83,536 (2019 - \$373,926).

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 13, 2020 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, 2020:

	August-31-20	October-26-20
Common shares outstanding	49,988,051	50,088,051
Stock options	4,385,000	4,385,000
Warrants	4,640,000	4,540,000
Finder’s warrants	83,280	83,280
Fully diluted common shares outstanding	59,096,331	59,096,331

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.