

**92 RESOURCES CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEARS ENDED MARCH 31, 2019 AND 2018**

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## **92 RESOURCES CORP.**

Management's Discussion and Analysis  
For the years ended March 31, 2019 and 2018

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July 24, 2019

### **OVERVIEW**

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The following is a management's discussion and analysis ("MD&A") of 92 Resources Corp. (the "Company" or "92 Resources"), prepared as of July 24, 2019. This MD&A should be read together with the audited financial statements for the year ended March 31, 2019 and related notes which are prepared in accordance with International Financial Reporting Standards ("IFRS"), copies of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions that are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of July 24, 2019 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

### **NATURE OF BUSINESS**

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The Company was incorporated on May 10, 2007, under the British Columbia *Business Corporations Act*. On June 10, 2014, the Company's common shares were consolidated on a five old for one new share basis and the Company's name was changed from Rio Grande Mining Corp. to **92 Resources Corp.**

The Company is domiciled in Canada and is a reporting issuer in British Columbia and Alberta, with its common shares publicly traded on the TSX Venture Exchange (the "Exchange") under the stock symbol "NTY". The address of its head office is Suite 500, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 3P6.

The principal business of the Company is the identification, evaluation and acquisition of

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exploration and evaluation properties, as well as exploration of those properties once acquired. At March 31, 2019, the Company had not yet determined whether any properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

### MINERAL PROPERTY INTERESTS

#### Hidden Lake Lithium Property

On February 16, 2016, the Company entered into an Agreement (the "Agreement") with DG Resource Management Ltd. ("DG Resource"), Zimtu Capital Corp. ("Zimtu") and Michael V. Sklaventis ("MS") for an option to acquire interest in two mineral claims consisting of 1,100 hectares, located northeast of Yellowknife, Northwest Territories. Under the terms of the Agreement, the Company could earn 100% interest by paying cash of \$85,000, issuing 4,000,000 common shares and completing \$500,000 in exploration expenditures as follows:

	Common Shares	Cash	Exploration Expenditures
	#	\$	\$
Upon closing (paid)	-	5,000 <sup>(1)</sup>	-
Upon regulatory approval of the Agreement (issued) <sup>(2)</sup>	2,000,000 <sup>(2)</sup>	-	-
30 days after regulatory approval of Agreement (paid)		45,000 <sup>(3)</sup>	-
12 months after regulatory approval of the Agreement (issued; paid)	2,000,000 <sup>(2)</sup>	35,000 <sup>(3)</sup>	-
On or before September 30, 2016 (incurred)	-	-	250,000
On or before May 31, 2018 (incurred)	-	-	250,000
<b>Total</b>	<b>4,000,000</b>	<b>85,000</b>	<b>\$500,000</b>

<sup>(1)</sup> Non-refundable deposit paid to DG Resources upon execution of the Agreement

<sup>(2)</sup> Issuable 50% to DG Resource, 25% to Zimtu and 25% to MS

<sup>(3)</sup> Payable to DG Resources

The regulatory approval related to the Hidden Lake Lithium Agreement was obtained from the TSXV on April 21, 2016.

On November 27, 2017, the Agreement was amended to extend the completion date of \$250,000 exploration expenditures from on or before May 31, 2017 to on or before May 31, 2018.

Hidden Lake Property is subject to 2% Net Smelter Royalty with respect to the production of all material from the property, 1% of which can be purchased back from DG Resource by the Company within 5 years of the regulatory approval for \$2,000,000 (the "DGRM Royalty").

#### Government Grant

In 2017, the Government of the Northwest Territories conditionally approved a grant of \$140,000 relating to the Mining Incentive Program (the "Northwest Territories Grant"). A condition of the Northwest Territories Grant was to incur \$280,000 eligible expenses in the Northwest Territories, consisting of 2 phases of work, channel sampling and diamond drilling, during the period from April 1, 2017 to March 31, 2018.

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During the year ended March 31, 2018, the Company received \$119,000 as an advance from the Northwest Territories Grant, which was recorded as a reduction to the carrying amount of the Hidden Lake Lithium Property. As at March 31, 2018, the Company has not completed the second phase of the program within the required timeframe, and as a result, is required to repay a portion of the grant. On May 18, 2018, the Company repaid \$81,590 to the Government of the Northwest Territories related to the Northwest Territories Grant.

*Option-out Agreement*

On January 22, 2018, the Company entered into an agreement to option out up to 90% of their interest in the Hidden Lake Property to Far Resources Ltd. ("Far") (the "Hidden Lake Option Out Agreement"), except for the DGRM Royalty, on the following terms and payments by Far to the Company:

	Value of Far Common Shares	Cash	Exploration Expenditures
	\$	\$	\$
<i>To earn an initial 60% undivided interest</i>			
Upon closing (February 28, 2018) (received)	500,000 <sup>(1)</sup>	50,000	-
On or before February 28, 2019 (incurred)	-	-	500,000
<i>To earn an additional 10% interest (70% interest in total) <sup>(5)</sup></i>			
Within 10 business days after February 28, 2019	250,000 <sup>(2)</sup>	-	-
On or before February 28, 2020	-	-	500,000
<i>To earn an additional 10% interest (80% interest in total) <sup>(5)</sup></i>			
Within 10 business days after February 28, 2020	300,000 <sup>(3)</sup>	-	-
On or before February 28, 2021	-	-	600,000
<i>To earn an additional 10% interest (90% interest in total)</i>			
Within 10 business days after February 28, 2021	400,000 <sup>(4)</sup>	-	-
On or before February 28, 2022	-	-	700,000
<b>Total</b>	<b>1,450,000</b>	<b>50,000</b>	<b>2,300,000</b>

<sup>(1)</sup> Such number of common shares having an aggregate amount equal to \$500,000 at an issue price of \$0.90 per share. During the year ended March 31, 2018, 555,555 common shares were issued to the Company with a fair value of \$227,777.

<sup>(2)</sup> Such number of common shares having a then aggregate fair market value equal to \$250,000 based on an issue price per share equal to, the lesser of (A) the average closing price of Far's common shares on the CSE for the 20 trading days immediately preceding the date of issuance, and (B) \$1.50 per share.

<sup>(3)</sup> Such number of common shares having a then aggregate fair market value equal to \$300,000 based on an issue price per share equal to the lesser of (A) the average closing price of Far's common shares on the CSE for the 20 trading days immediately preceding the date of issuance and (B) \$1.50 per share.

<sup>(4)</sup> Such number of common shares having a then aggregate fair market value equal to \$400,000 based on an issue price per share equal to the lesser of (A) the average closing price of Far's common shares on the CSE for the 20 trading days immediately preceding the date of issuance, and (B) \$1.50 per share

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(5) In the event that Far does not exercise these options to acquire additional interest, Far will be responsible for funding 100% of the first \$1,000,000 in joint expenses according to the Hidden Lake Option Out Agreement.

On May 16, 2019, the Company announced that Far Resources Ltd. had formally notified 92 Resources Corp. of its intention to terminate its remaining earn-in for the Hidden Lake Property, originally announced Jan 23, 2018, and will therefore maintain its 60-per-cent interest earned through satisfying the year 1 conditions of the option agreement. Therefore, the Company will maintain a 40-per-cent interest in Hidden Lake and a joint venture between the companies will be formed for future exploration of the property. In addition, under the terms of the agreement, Far Resources will remain as operator and is responsible for financing the Joint Venture's initial \$1-million in expenditures.

### Upper Ross Lake Property

On July 7, 2016, the Company staked 2 claims totaling 57 hectares in Upper Ross Lake, Northwest Territories. The Company decided to strategically focus on its other lithium assets and the Property has since lapsed.

### Pontax Lithium Property

On July 25, 2016, the Company entered into an agreement (the "Pontax Agreement") with DG Resource Management Ltd. ("DG Resources") and Michael Sklavenitis ("MS") for an option to acquire 100% interest in 104 mineral claims consisting of 5,536 hectares near Eastmain, Quebec by paying cash of \$50,000 and issuing 3,000,000 common shares as follows:

	Common Shares	Cash
	#	\$
Upon execution (paid)	-	12,500 <sup>(1)</sup>
Upon regulatory approval of the agreement (issued)	1,500,000 <sup>(2)</sup>	-
Within 60 days of regulatory approval (paid)	-	12,500 <sup>(3)</sup>
On or before May 31, 2018 (issued; paid)	1,500,000 <sup>(2)</sup>	25,000 <sup>(3)</sup>
<b>Total</b>	<b>3,000,000</b>	<b>50,000</b>

(1) Non-refundable deposit paid to DG Resource upon execution of the Pontax Lithium Agreement

(2) #1,000,000 issuable to DG Resource and #500,000 issuable to MS

(3) Payable to DG Resource

Regulatory approval for the Pontax Agreement was obtained on September 20, 2016.

On November 27, 2017, the Pontax Agreement was amended to extend the date of the 1,500,000 common share issuance, and \$25,000 cash payment from 1 year after the regulatory approval of the agreement to on or before May 31, 2018.

The Pontax Agreement is subject to a 3% Net Smelter Royalty ("NSR"). The Company can purchase 1.5% NSR within 5 years of regulatory approval by paying \$2,000,000 to DG Resource.

The Company has since expanded its land position, though online map designation, with the Pontax Property now comprised of 146 claims totaling 7,773 ha.

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### ZimFrac Property (also termed "Golden Frac Sand Property")

On January 27, 2014, the Company entered into a sale and purchase agreement (the "ZimFrac Agreement") with Cannon Bridge Capital Corp. ("Cannon") and Zimtu Capital Corp. ("Zimtu") (collectively, the "Vendors") and purchased from the Vendors a 100% interest in certain silica claims located near Golden, BC (the "ZimFrac Property"). In consideration, the Company issued 400,000 common shares (200,000 common shares to each of Cannon and Zimtu issued on February 6, 2014), subject to a 2% Net Smelter Royalty ("NSR"). The Company also issued 40,000 common shares in 2014 with a fair value of \$0.25 per share as finder's fee.

The Company can purchase up to 1% NSR by paying an aggregate sum of \$1,000,000 (\$500,000 to each of Cannon and Zimtu).

The ZimFrac Agreement received regulatory approval on February 6, 2014.

On March 3, 2017, the Company entered into an agreement (the "Golden Frac Sand Agreement") with Dahrouge Geological Consulting Ltd. ("Dahrouge") and DG Resource Management Ltd. ("DG Resource") to purchase a 100% interest in certain mineral claims located near Golden, BC (the "Golden Frac Sand Property") to expand the size of the ZimFrac Property. In consideration, the Company paid \$40,000 (\$20,000 payable to Dahrouge and \$20,000 payable to DG Resource) within five days of signing the Golden Frac Sand Agreement on March 17, 2017.

The Property has a Gross Over-Riding Royalty of 2% payable to DG Resource in the revenue from the sale of the production. The Company can purchase 1% of the GORR for \$2,000,000 at any time.

### Quebec Properties

On September 18, 2017, the Company entered into an agreement (the "Quebec Properties Agreement") with DG Resource Management Ltd. ("DG Resource"), Simon Dahrouge ("SCD"), Sydney Dahrouge ("SAD") and Michael V. Sklavenitis ("MS") for an option to acquire interest in 115 mineral claims comprising the Eastmain Property, Lac Du Beryl Property and Corvette Property, located in the James Bay Region, Quebec. Under the terms of the Agreement, the Company earned 100% interest by making a cash payment of \$45,000 to DG Resource and issuing 1,500,000-share purchase warrants (500,000 each to SCD, SAD, and MS) as follows:

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	Warrants	Cash
	#	\$
Upon closing (paid)	-	12,500 <sup>(1)</sup>
Earlier of regulatory approval or within 60 days of closing (paid)	-	32,500 <sup>(1)</sup>
Upon regulatory approval (issued)	1,500,000 <sup>(2)</sup>	-
<b>Total</b>	<b>1,500,000</b>	<b>45,000</b>

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<sup>(1)</sup> Payable to DG Resource

<sup>(2)</sup> Issuable 500,000 each to SCD, SAD and MS

The regulatory approval related to the Quebec Properties Agreement was obtained from the TSXV on September 26, 2017.

On October 19, 2017, in connection with the Quebec Properties Agreement, the Company paid reimbursement costs to DG Resource of \$2,220 incurred on the properties 2 months prior to signing the Quebec Properties Agreement.

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The Quebec Properties Agreement is subject to a 2% Net Smelter Return with respect to the production of all materials from the properties.

The Lac du Beryl Property has since been expanded and is now comprised of 30 claims totaling 1,588 ha, forming two claim blocks.

The Corvette Property has since been expanded and is now comprised of 172 claims totaling 8,808 ha, forming one contiguous claim block.

### FCI Property

On 4 September 2018, the Company entered into an Option Agreement (the "Agreement") with Osisko Mining Inc. ("Osisko") to acquire up to a 75% interest in 28 mineral claims ("FCI East") directly adjoining the Company's 100% owned Corvette Property. The claims comprise the eastern portion of Osisko's FCI Property and located in the James Bay Region of Quebec, approximately 10 kilometres south of the all-season Trans-Taiga Road and powerline infrastructure corridor.

Under the terms of the Agreement, the Company could earn 100% interest by issuing 2,000,000 common shares to Osisko and incurring \$2,250,000 work exploration expenditures as follows:

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	<b>Common Shares</b>	<b>Work exploration expenditures</b>
	<b>#</b>	<b>\$</b>
Upon closing date of the Agreement (issued)	1,000,000	-
On or before the 1st anniversary date of closing	1,000,000	250,000
<i>To earn an initial 25% undivided interest</i>		
On or before the 2nd anniversary date of closing	-	800,000
<i>To earn an additional 25% undivided interest (50% interest in total)</i>		
On or before the 3rd anniversary date of closing	-	1,200,000
<b>Total</b>	<b>2,000,000</b>	<b>2,250,000</b>

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Osisko will act as Operator of the FCI Property for the term of the 50% earn-in, with a Steering Committee of equal representation formed to provide advice and direction to the Operator. Upon completion of the 50% earn-in (third anniversary of TSX-V approval (or closing), a Joint Venture Corporation will be formed with the Company retaining an Option to acquire a further 25% interest, for a total of 75% undivided interest, through funding of the next \$2,000,000 in exploration expenditures. The Company may become Operator upon notice to Osisko that it intends to incur the \$2,000,000 in work expenditures for a final undivided interest of 75%. Osisko's remaining 25% interest may be further reduced through dilution if they elect to not fund their portion of subsequent exploration/development. If ownership falls below 10%, Osisko will have the right to convert this remaining interest into a 1% Net Smelter Royalty (NSR), of which, the Company retains the right to buy for \$5,000,000 (cash or shares), and thereby, would obtain a 100% undivided interest in the FCI Property.

On January 22, 2019, the Company provided Osisko \$115,000 as cash call to pay for mineral exploration expenditures incurred for Corvette-FCI property. As at March 31, 2019, there was \$103,625 remaining in the cash call.

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On April 24, 2019, the Company and Osisko entered into an amended agreement to include an additional 83 claims ("FCI West") under the same terms and conditions as the original agreement

The FCI East, FCI West, and Corvette properties are contiguous and, collectively, are referred to as the Corvette-FCI Property. The Corvette-FCI Property extends for more than 25 kilometres along the Lac Guyer Greenstone Belt within the James Bay Region of Quebec. No additional shares, cash, or work commitment is required by the Company. The amended agreement remains subject to TSX Venture Exchange approval.

### Silver Sands Vanadium Property

On November 13, 2018, the Company entered into an agreement with DG Resource Management Ltd. to acquire 100% interest in Silver Sands Vanadium Property (the "Property"), located in the Pine Pass area of eastern British Columbia. The Silver Sands Vanadium Property covers 3735 hectares directly east of the Pine Pass Vanadium Project held by Ethos Gold Corp., which is located about 200 km north of Prince George, British Columbia.

The Silver Sands Vanadium Property contains the same geological formations prospective for vanadium mineralization that is known within the region. The Property is within close proximity to the well-established infrastructure corridor of Pine Pass, which includes the Highway 97, Canadian National Railway and high-voltage powerlines and natural gas pipelines.

Pursuant to the agreement, the Company will acquire a 100% interest in the Property by paying staking costs of \$15,000. The vendor will retain a 2% Net Smelter Return on the Property.

As at March 31, 2019, the Company has paid \$12,643 in staking fee pursuant to the agreement.

### SUMMARY OF QUARTERLY RESULTS

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The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter Ended	Revenue	Loss for the period	Basic and diluted loss per share
	\$	\$	\$
June 30, 2017	Nil	(200,911)	(0.00)
September 30, 2017	Nil	(199,383)	(0.00)
December 31, 2017	Nil	(274,116)	(0.01)
March 31, 2018	Nil	(290,547)	(0.01)
June 30, 2018	Nil	(199,599)	(0.00)
September 30, 2018	Nil	(329,336)	(0.00)
December 31, 2018	Nil	(175,444)	(0.00)
March 31, 2019	Nil	(307,989)	(0.01)

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**SELECTED ANNUAL INFORMATION**

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<b>Year ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	3,076,034	3,255,900	2,102,808
Mineral exploration and evaluation assets	2,279,263	1,643,307	1,070,207
Working capital	499,294	1,374,081	954,835
Shareholders' equity	2,778,557	3,017,388	2,025,042
Revenues	Nil	Nil	Nil
Net Loss	(1,012,368)	(964,690)	(964,246)
Basis and Diluted Loss Per Share	(0.01)	(0.02)	(0.02)

The annual financial results reflect the Company's level of activity over the past three years. Since 2017, the assets have increased by \$973,226, mineral exploration and evaluation assets have increased by \$1,209,056, and shareholders' equity has increased by \$753,515.

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**FOURTH QUARTER RESULTS**

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During the quarter ended March 31, 2019, the Company had a net loss of \$307,989 compared to a net loss of \$290,280 for the quarter ended March 31, 2018. The operational expenses consist of:

- Advertising of \$8,149 (2018 - \$31,256)
- Bank and interest charges of \$230 (2018 - \$173)
- Consulting fees of \$80,944 (2018 - \$142,701)
- Investor communications of \$1,344 (2018 - \$1,781)
- Management and administration fees of \$39,544 (2018 - \$79,335)
- Meals and entertainment of \$1,498 (2018 - \$4,079)
- Office and miscellaneous of \$1,160 (2018 - \$4,514)
- Professional fees of \$28,550 (2018 - \$22,728)
- Rent and property taxes of \$4,526 (2018 - \$2,029)
- Transfer agent and filing fees of \$9,687 (2018 - \$14,496)
- Travel of \$1,428 (2018 - \$1,843)

The Company also received \$248 in interest income (2018 - \$1,603)

During the quarter ended March 31, 2019, the Company recognize loss on sale of investment of \$151,986 (2018 - \$Nil) and other income related to flow-through premium of \$20,809 (2018 - \$13,052)

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**RESULTS OF OPERATIONS**

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Operational activities:

The Company incurred a net loss of \$1,012,368 for the year ended March 31, 2019, as compared to \$964,690 for the year ended March 31, 2018. Total expenses of \$888,016 for the year ended March 31, 2019 (2018 - \$988,534), related primarily to advertising, consulting, management and administration fees, professional fees, share-based compensation and transfer agent and filing fees.

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The increased loss in the year ended March 31, 2019 was primarily due to the increase in consulting fees of \$367,048 (2018 - \$287,770) incurred to consultants of the Company for consultation on the Company's current and prospective projects and the realized loss on sale of investments of \$151,986 (2018 - \$Nil). There was a decrease in share-based compensation of \$93,038 (2018 - \$220,370) and a decrease in transfer agent and filing fees of \$44,566 (2018 - 60,701) because the Company's share related transactions decreased significantly during the current period.

All other costs in the current period are comparable to that of the corresponding period in 2018.

### Cash flow activities:

For the year ended March 31, 2019, the Company experienced a net decrease in its cash position by \$424,469 (2018 - increased by \$159,288). Cash inflows consisted of funds provided by financing activities totalling \$796,310 (2018 - \$1,388,975). The cash inflow is primarily attributed to the proceeds received from a private placement closed on August 1, 2018 and a private placement closed on December 28, 2018.

Significant cash outflows consisted of the cash used in operating activities of \$803,114 (2018 - \$945,254) and the cash used in investing activities of \$417,665 (2018 - \$284,433). The cash used in operating activities in 2019 decreased compared to 2018, primarily due to the decrease in amounts receivable and prepaid expenses. The cash used in investing activities in 2019 increased compared to 2018, primarily due to government grants of \$119,000 received in 2018 and \$81,590 being paid back as it was not able to complete the second phase of the program within the required timeframe set by the Government of the Northwest Territories and the increased exploration and evaluation property expenditures incurred on the Company's mineral properties.

As the Company is an exploration company, it does not receive, nor does it anticipate receiving any revenue in the next fiscal year. The Company's interests do not currently generate cash flow from operations and, in order to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new shareholders, third party financing, and cost sharing arrangements to fund its work programs and operations.

## **LIQUIDITY AND CAPITAL RESOURCES**

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As at March 31, 2019, the Company had cash and cash equivalents of \$698,446 (March 31, 2018 - \$1,122,915) and working capital of \$499,294 (March 31, 2018 - \$1,374,081). Some of the factors affecting the Company's liquidity are:

- The Company will have to incur ongoing costs to maintain its properties and plans to undertake exploration programs that will consume cash.
- As disclosed in note 8 of the March 31, 2019 financial statements, the Company must make option payments and complete minimum exploration expenditures if it is to retain its properties.

As at March 31, 2019, there were 87,802,456 common shares, 5,725,000 stock options and 10,215,800 warrants outstanding

As at March 31, 2019, the Company had not advanced its exploration and evaluation properties to commercial production. The Company's continuation as a going concern is dependent upon successful results from exploration activities on its mineral properties and its ability to attain profitable operations and generate cash from its operations in the foreseeable future. As at March 31, 2019, the Company has accumulated losses of \$7,583,747 since inception, and is

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expected to incur further losses in the development of its business. The Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

### Subsequent to the year ended March 31, 2019

On April 25, 2019, the Company issued 200,000 common shares for gross proceeds of \$10,000 for options exercised.

On May 2, 2019, the Company granted 2,500,000 shares options, which are exercisable for a period of three years, at a price of \$0.06 per share.

### Year ended March 31, 2019

#### Shares and Warrants

On April 18, 2018, 514,000 warrants exercisable at \$0.10 per share expired unexercised.

On June 18, 2018, the Company issued 1,500,000 common shares valued at \$0.055 per share in accordance to the Pontax Agreement.

On August 1, 2018, the Company closed a non-brokered private placement financing for gross proceeds of \$217,750 by issuing 3,350,000 non-flow-through ("NFT") units at a price of \$0.065 per unit. Each NFT unit consists of one NFT common share and one-half of one non-transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional NFT common share at a price of \$0.10 per share until August 1, 2019.

On September 17, 2018, the Company issued 1,000,000 common shares valued at \$0.06 per share for the acquisition of the Corvette-FCI Property.

On December 27, 2018, the Company closed a non-brokered private placement financing for gross proceeds of \$618,000 by issuing 12,360,000 flow-through ("FT") units at a price of \$0.05 per unit. Each FT unit consists of one FT common share and one-half of one non-transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional common share at a price of \$0.10 per share until December 27, 2021. In connection with the private placement, the Company paid a finder's fee of \$39,440 in cash and issued 860,800 agent warrants. Each agent warrant is exercisable to acquire one common share for a period of thirty-six months from the date of issuance at an exercise price of \$0.10 per share.

During the year ended March 31, 2019, the Company granted 8,715,800 warrants in connection with private placements

On January 3, 2019, 5,869,000 warrants issued on January 3, 2018 expired unexercised.

On February 24, 2019, 7,524,166 warrants issued on February 24, 2017 expired unexercised.

#### Options

On July 11, 2018, the Company granted a total of 1,900,000 stock options to a consultant, officers and directors of the Company. Each stock option is exercisable into one additional common share at \$0.05 per share until July 11, 2021 and vested immediately on the date of grant. The Company recognized \$66,043 as share-based payments on the statement of comprehensive loss on the grant of the stock options. The fair value of \$66,043 share-based

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payments was estimated using the Black-Scholes pricing model with estimated, stock price of \$0.05, volatility 141%, risk-free rate 1.5%, dividend yield 0%, and expected life of 3 years.

On August 1, 2018, the Company granted a total of 800,000 stock options to a consultant of the Company. Each stock option is exercisable into one additional common share at \$0.055 per share until August 1, 2020 and vested immediately on the date of grant. The Company recognized \$26,995 as share-based payments on the statement of comprehensive loss on the grant of the stock options. The fair value of \$26,995 share-based payments was estimated using the Black-Scholes pricing model with estimated, stock price of \$0.055, volatility 121%, risk-free rate 1.5%, dividend yield 0%, and expected life of 2 years.

On January 17, 2019, 142,000 options issued on January 17, 2014 expired unexercised.

On March 4, 2019, 860,000 options cancelled unexercised.

On March 21, 2019, 25,000 options cancelled unexercised.

### Year ended March 31, 2018

#### Shares and warrants

During the year ended March 31, 2018, the Company issued 1,535,000 common shares in accordance with the exercise of stock options for proceeds of \$157,500. On exercise, the Company transferred \$139,643 from reserves to share capital.

During the year ended March 31, 2018, the Company issued 772,500 common shares in accordance with the exercise of warrants for proceeds of \$106,875. On exercise, the Company transferred \$1,069 from reserves to share capital.

On January 3, 2018, the Company closed a non-brokered private placement financing for gross proceeds of \$1,141,000 by issuing 11,410,000 non-flow-through ("NFT") units at a price of \$0.10 per unit. Each NFT unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant will permit the holder to acquire one additional NFT common share at a price of \$0.15 per share until January 3, 2019. Value is allocated to the warrants using the residual method. The Company recognized \$Nil as the fair value of warrants and \$1,141,000 as the fair value of common shares in accordance with the residual method. In connection with the private placement, the Company paid a finder's fee of \$16,400 in cash and issued 164,000 agent warrants. Each agent warrant is exercisable to acquire one additional NFT common share for a period of 1 year from the date of issuance at an exercise price of \$0.15 per share.

On April 19, 2017, the Company issued 2,000,000 common shares valued at \$0.095 per share for a total fair value of \$190,000 in accordance to the Hidden Lake Lithium Agreement.

During the year ended March 31, 2018, the Company recorded share issue costs of \$11,603 for the 164,000 agent warrants granted pursuant to a private placement. The fair value of the 164,000 agent warrants and 1,500,000 warrants issued in connection with Quebec Properties Agreement was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: stock price of \$0.11, volatility 163.99%, risk-free rate 1.79%, dividend yield 0%, and expected life of 4.61 years.

On March 17, 2018, a total of 1,398,360 share purchase warrants expired with an exercise price of \$0.10.

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On January 8, 2018, a total of 325,000 share purchase warrants expired with an exercise price of \$0.10.

**Options**

On December 18, 2017, the Company granted a total of 1,720,000 stock options to 2 consultants of the Company. Each stock option is exercisable into one additional common share at \$0.10 per share until December 18, 2019 and vested immediately on the date of grant. The Company recognized \$123,874 as share-based payments on the statement of comprehensive loss on the grant of the stock options.

On August 1, 2017, the Company granted a total of 300,000 stock options to a consultant of the Company. Each consultant stock option is exercisable into one additional common share at \$0.10 per share until August 1, 2019 and vested immediately on the date of grant. The Company recognized \$18,813 as share-based payments on the statement of comprehensive loss on the grant of the stock options.

On May 15, 2017, the Company granted a total of 1,150,000 stock options to employees, consultants, directors, and officers of the Company. Each stock option is exercisable into one additional common share at \$0.08 per share until May 15, 2020 and vested immediately on the date of grant. The Company recognized \$77,683 as share-based payments on the statement of comprehensive loss on the grant of the stock options.

As of the date of this report, there were 88,002,456 common shares, 8,025,000 stock options and 10,215,800 warrants outstanding.

**RELATED PARTY TRANSACTIONS**

During the year ended March 31, 2019, the Company incurred the following related party transactions measured at exchange amounts, which were the amounts agreed upon by the transacting parties and are on terms and conditions similar to those for arm's length transactions:

<b>Year ended</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>\$</b>	<b>\$</b>
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management and administration fees	<b>157,826</b>	197,608
Consulting fees	<b>30,000</b>	30,000
Share based payments	<b>57,354</b>	77,683
<b>Total related party expenses by type</b>	<b>245,180</b>	305,291

The amounts due to related parties are amounts due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

As at March 31, 2019 and 2018, no amounts were due to key management, directors of the Company or companies controlled by management or directors of the Company.

As at March 31, 2019, an amount of \$5,931 (March 31, 2018 - \$Nil) management fees was recorded as prepaid expense.

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### *Key management personnel compensation*

The Company considers its President, Chief Executive Officer and Chief Financial Officer, Corporate Secretary and directors to be key management. During the year ended March 31, 2019, the Company incurred \$245,180 (2018: \$305,291) on compensation.

## **COMMITMENTS**

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The Company has certain commitments related to key management compensation for \$12,500 per month with no specific expiry of terms.

The Company has certain commitments in connection with its mineral properties as described in Note 8 to the audited financial statements.

## **CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

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For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the audited consolidated financial statements for the year ended March 31, 2019 that are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **OFF-BALANCE SHEET ARRANGEMENTS**

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The Company has not entered into any material off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

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The Company has no proposed transactions.

## **CAPITAL DISCLOSURE**

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The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its growth using internally-generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and receivables.

## **FINANCIAL INSTRUMENTS**

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The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

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- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at March 31, 2019, the Company does not have any Level 3 financial instruments.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, investments, trade and other payables.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

### **Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company considers its exposure to interest rate risk to be not significant.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

## **RISKS AND UNCERTAINTIES**

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The more significant risks and uncertainties not discussed elsewhere in this MD&A include:

### **Financing Risk**

The Company will need to continue raising funds to finance its operations and exploration activities. There is no certainty that the Company will be able to raise money on acceptable terms or at all.

### **Exploration Risk**

Exploration for mineral resources involves a high degree of risk. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. Few explored properties are ultimately developed into producing mines. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several different exploration prospects in a number of favorable geologic environments.

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**Metal Price Risk**

Even if the Company's exploration programs are successful in locating economic deposits of minerals or precious metals, factors beyond the Company's control may affect the value and marketability of such deposits. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

**Environmental Risk**

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenditures.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

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Detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the financial statements for the year ended March 31, 2019.

**DIRECTORS**

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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 which 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.

On May 14, 2019, the Company appointed Darren L. Smith as Vice President of Exploration for the Company.

Current Directors and Officers of the Company are as follows:

Adrian Lamoureux, President/CEO and Director  
Dusan Berka, CFO and Director  
Paul Chung, Director  
Robert Findlay, Director  
Darren L. Smith, Vice President, Exploration  
Kelly Pladson, Corporate Secretary

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**OUTLOOK**

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The Company's primary focus for the foreseeable future will be on reviewing its financial position, raising funds to support exploration and operational activities, continuing exploration activities on its mineral properties and financing business ventures in the mineral resource industry.

**ADDITIONAL INFORMATION**

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Additional information related to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).