



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2019

The following management discussion and analysis ("MD&A") of financial position and results of operations of Auramex Resource Corp. (the "Company") is prepared as at April 23, 2020 and should be read in conjunction with the audited financial statements of the Company, and the notes thereto, for the year ended December 31, 2019, which are prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars unless otherwise specified.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol AUX, and classified as a junior natural resource company. The Company is subject to the specific risks inherent in the mineral exploration business as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on the Company's website at www.auramex.com as well as at www.sedar.com.

Description of the Business

The Company is engaged in the business of acquiring interests in mineral properties with exploration potential and exploring those properties to determine if they may host economic deposits of minerals. If the Company determines that a property likely does not host an economic deposit, or if maintaining a property becomes uneconomic for any other reason, it abandons the property and writes off the capitalized acquisition and deferred exploration and development costs associated with the property. As existing properties are abandoned, the Company seeks out new properties for acquisition that it considers may have the potential to host the economic mineral deposit or deposits that will result in its evolution into a producing, revenue generating entity. The exploration of mineral properties and subsequent development involves a high degree of risk and few properties that are explored are ultimately developed into producing properties.

Corporate Update

In January 2019 the Company issued 1,550,000 units in a private placement at \$0.05 per unit for gross proceeds of \$77,500 of which \$70,000 had been received prior to December 31, 2018, each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$0.10 per common share until January 29, 2020.

In January 2019 The Company granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 782,000 treasury shares. The options are exercisable at a price of \$0.05 per share for a period of 5 years.

In July 2019 the Company appointed Richard Savage to the Board of Directors. Richard began his career as an Investment Advisor at Yorkton Securities (which became Richardson GMP) in 1988 and remained there for 28 years.

In July 2019 The Company granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 1,925,000 treasury shares. The options are exercisable at a price of \$0.06 per share for a period of 5 years.

In August and October, 2019 the Company issued a total of 7,630,000 units in private placement at a price of \$0.05 per unit for gross proceeds of \$381,500. Each unit consists of one common share of the Company and one common

share purchase warrant each of which will entitle the holder to acquire one common share of the Company at a price of \$0.07 until February 22, 2021.

In October 2019, the Company issued 2,600,000 units in private placement at a price of \$0.05 per unit for gross proceeds of \$130,000. Each unit consisted of one common share of the Company and one common share purchase warrant each of which will entitle the holder to acquire one common share of the Company at a price of \$0.07 until April 18, 2021.

During the year ended December 31, 2019, 330,000 warrants were exercised for gross proceeds of \$17,000.

The composition of the board and management team has undergone significant change in the period. As of the date of this report the members of the board of directors are: Lawrence Roulston (CEO and President), Paul Metcalfe (VP Exploration), B. Marie Brannstrom (VP Operations), and Richard Savage. Michael O'Brien is the CFO and Corporate Secretary.

Mineral Properties

General

The Auramex business approach involves assembling mineral rights over ground that is highly prospective for large-scale gold-silver deposits and then advancing the geological understanding of those projects through a combination of internal funding and joint ventures. To that end, management has assembled a geological team with leading expertise in this region.

Auramex' projects are all located in the highly prospective Stewart gold camp in the Golden Triangle region of northwestern British Columbia. Its mineral tenures, comprising in excess of 20,000 hectares (200 square kilometres), are divided into five project areas:

- The Georgia River (or GR) project lies at or near tidewater along the Portland Canal south of Stewart;
- The Lower Bear project extends from the edge of Stewart 12 kilometres north;
- The Bear Pass project encompasses properties that straddle Highway 37A for 15 kilometres along the Bear Valley and over the Bear Pass;
- The Tide North project lies on the upper Bowser River, 12 km north of the past producing Scottie gold mine and 15 km southeast of Pretium's Brucejack Mine and;
- The American Creek project lies in the American Creek corridor, extending from south of the confluence of American Creek and the Bear River 15 km north along the east side of American Creek.

The Georgia River, Lower Bear, Bear Pass and American Creek projects are being explored for their potential to host intrusion-related gold mineralization associated with the Early Jurassic Texas Creek Plutonic Suite, similar to many other gold deposits in the Golden Triangle, including Premier, Snip, Scottie Gold and Brucejack. Tide North is interpreted to be underlain by Iskut River formation basinal rocks and is being explored for its potential to host volcanic exhalative precious and base metal mineralization similar to that at the past-producing Eskay Creek mine. A synopsis of each project area is given below; for further detail, please visit our website: <https://www.auramex.com>

Georgia River Project

The Georgia River Project (GR) is centered on the past producing Georgia River Au-Ag mine. It is located on the eastern shore of the Portland Canal, a 115 km long fjord connecting the deep-water port of Stewart to the Pacific Ocean. The project area extends along the Portland Canal tidewater from 11 to 24 km south of Stewart. It comprises three main areas:

1. The Georgia River Mine area immediately east of the Canal including the old Georgia River Mine workings, the Hume Creek Deformation Zone and the Exdale tenure area;
2. The Georgie Girl property to the south and;
3. The legacy Gamebreaker tenures to the southeast.

All three areas in the GR Project are intimately associated with intrusions of the metallogenic, gold-bearing Texas Creek Plutonic Suite. On the northeast edge of the main Georgia River area is a 7 km contact with the Early Jurassic Bulldog Creek Pluton, an intrusion contemporaneous with the Texas Creek Suite. On Colling Ridge near the old mine, intrusive rocks contemporaneous with the Texas Creek Plutonic Suite are deformed and entrained in the Hume Creek Deformation Zone. The Outram Lake Porphyry underlying the Gamebreaker area is also Early Jurassic in age, contemporaneous with both the Bulldog Creek and Colling Ridge intrusions.

Auramex is presently focused on exploring the Georgia River Mine area. The area around the historic workings was tested with trenching and with shallow drill holes from 1979 to 2003, but this system has neither been tested comprehensively nor at any depth greater than 230 m. Immediately southwest of the historic workings is a 500 metre-thick (750 metre wide), fault-bounded zone of deformed rock, with a penetrative brittle fabric dipping moderately to the southwest (the Hume Creek Deformation Zone), parallel to the low-grade Main Vein in the Georgia River Mine. Fieldwork also identified intensely deformed Texas Creek intrusive rocks within the zone. The exposure of the Hume Creek Deformation Zone on the crest of Colling Ridge is coincident with a 1 km² geophysical anomaly, detected by a property-wide airborne magnetometer and variable time domain electromagnetic (V-TEM) survey carried out in 2010. Unconstrained 3D inversion of the magnetic data and 1D inversion of the electromagnetic data are consistent with the presence of a southwest-dipping conductive zone. The projected surface trace of this zone returned gram-plus gold values in both historic and 2018 grab samples over an estimated strike length of 590 m. This anomalous zone is interpreted as a mineralized fault, an area of permeability which channeled the base and precious metal-bearing hydrothermal fluids. It is believed that the hydrothermal system is related to an Early Jurassic intrusion.

This structure has never been tested by drilling. Work carried out to date by Auramex personnel strongly suggests that the Hume Creek Deformation Zone and the veins at the Georgia River Mine formed as high-level mineralized zones from a single, large hydrothermal system during the same metallogenic event. The objective now is to identify areas within that system with similar, larger, gold occurrences.

In 2017, the Company commissioned a Synthetic Aperture Radar (SAR) survey over the project area, with the interpretation continuing through the first quarter 2018. Interpretation of this image enabled sub-surface geological features to be identified and these features are helping to interpret previous and current geological mapping and geophysical data obtained through airborne and ground surveys.

In September 2019 the Company announced that it had received notification from the Ministry that review of its proposed work program, including drilling, for the Georgia River property was complete. The final requirement in the permitting process is the posting of a \$21,000 security deposit due before July 1, 2020.

In addition, the Auramex geological team reported on progress from the review of 11,750 metres of drill core on the property from previous operators. That core was drilled from 1978 to 1996 by multiple companies, with drilling focused at the historic high-grade Georgia River gold mine. The mine area, previously under option to another junior company, was returned to Auramex in May of 2019.

A program of re-boxing, cataloguing and selective relogging of the historic core began in July. The geological team was working from a camp on the property and is in the process of carrying out a comprehensive review of the core using an array of analytical tools and techniques.

The Lower Bear Project

Auramex' Lower Bear Project extends from the Stewart town limit to 12 km up the Bear Valley, within 3 km of the Premier Mine; it consists of electronic tenures wholly owned by the Company (by staking and purchase agreements) and tenures comprising the Bay Silver option. As a result of its holdings, Auramex controls a portion of the east side of the Bear River Ridge, with the Premier Mine to the west of the ridge and the Dunwell, Ben Ali and Sunbeam Mines immediately east of the Auramex ground.

The geology on the east side of the Bear Ridge, in the Bear River Valley, is identical to that of the Salmon River Valley west of the ridge, which hosts the Premier Mine camp (historic production of 2 million ounces of gold and 43 million ounces of silver). Intrusions in the Bear River Valley, although not positively identified as being part of the Texas Creek Plutonic Suite, are very similar in texture and mineralogy. The Dunwell Mine, to the immediate east of the Lower Bear property, was third only to the Silbak Premier and Porter Idaho mines in silver production during its mine life.

The Lower Bear property encloses ground along structural strike from the Silbak Premier Mine, across the Bear River Ridge. Partial coverage by a 2009 airborne geophysical survey identified three areas of anomalous conductivity beneath the river valley, called the Gravel South, Gravel and Gravel North anomalies, coincident with northwest-trending structures that cross the Bear River Ridge and proximal to an Early Jurassic Texas Creek intrusion.

A geophysical survey over the Bay Silver Property by the previous operator identified a target area, but there was only minimal follow up. That geophysical target aligns with a geophysical target on the adjacent Auramex ground. Field work by Auramex in 2018 identified high grade values of gold and silver in a favourable geological setting, providing a strong basis for the next phase of work.

In 2019, the Company acquired two additional tenures (Prince John and Ag1) from Decade Resources Ltd. Details are outlined in the Notes to the Financial Statements. The acquisition of the Prince John tenure filled a central hole in the Lower Bear project and the Ag1 tenure appends to the south. The Company also acquired the historic Bayview tenure through a purchase agreement. It is located 3.5 kilometres north of Stewart and adjoins the Bay Silver property. Limited production in the 1920s and 1930s exploited high-grade gold and silver veins, but the property has seen minimal modern exploration.

No field work was carried out on this project in 2019. Early in 2020, Auramex submitted a sample of felsic dyke material to UBC's geochronology laboratory for U-Pb zircon age determination. The sample is from the western portion of the project area in an area of cross cutting dykes, identified to be part of the Portland Canal Dyke Swarm (PCDS). Combined with lithochemical and petrographic data, the geochronological results are intended to test the hypothesis that the assumed Tertiary-aged PCDS may include older dykes of Texas Creek affinity. This could have a significant bearing on the prospects for locating additional Premier style mineralization in the Lower Bear project and surrounding area.

The Bear Pass Project

The extensive Bear Pass project area encloses multiple intrusion-related gold and silver targets that extend along the upper Bear Valley and over the Bear Pass (collectively termed the Bear River Corridor). The project is composed of several properties, is centred on Highway 37A and spans a distance of approximately 15 km west to east. The properties include: Lucky Frenchman (including the previously optioned Lucky Frenchman East), Capital, Cornice Mountain, L, Tory, West George Copper (formerly part of Capital), Rufus (including Comet) and Icefield. Previously, the Champion and Confluence properties were included in the foregoing list and the entire suite was named the Bear River property. Early in 2019 the Company expanded its holdings peripheral to the Champion and Confluence properties and created the American Creek project area (please see below).

The target areas were acquired based on Auramex' unique knowledge of the geology of that region. The area hosts widespread gold-silver and base metal mineral occurrences, identified and exploited by miners in the early 1900s and explored on a piecemeal basis ever since. Nearly all of the historic work was conducted on small land-holdings

with little or no broad geological interpretation. Exploration by Auramex in 2018, partly on behalf of a neighbouring property holder, was the first-ever comprehensive geological review of the property.

In 2019, the Company made two additions to its property portfolio in the Bear Pass. The Rufus property was optioned from a private third party in an all share deal and the Comet property was purchased outright (subject to a 1% NSR). The Rufus property hosts several historic workings which appear to be related to the same large mineralizing system that is present on the Auramex properties to the north and south. Only limited modern work has been conducted on the Rufus property. Comet consists of a single electronic tenure cell and is located in the midst of a number of mineral occurrences that were worked in the 1920s and 1930s, but has seen minimal modern work. As a result of both acquisitions, the Icefield, Rufus/Comet and Capital properties are now a contiguous block. Details of the transactions are outlined in the Notes to the Financial Statements.

In February, the Company entered an option agreement with a third party for two properties, one adjacent to the northern extent of Lucky Frenchman and one to the Champion property (Lode3/VON option). An initial payment was made and a reconnaissance trip to the tenures by Auramex' geological staff was conducted. The Company decided not to proceed further and the option expired in November.

In August, The Company made a tenure exchange with Decade Resources: in return for transferring all right and title to tenure 565638 (part of Lucky Frenchman East) to Decade, the Company received right and title to tenures 600669 and 1059711 (Lower Bear project; see above). Subsequent to year end, Decade Resources has indicated that it has abandoned the Lucky Frenchman East option. As a result, with the exception of tenure 565638, the Company has regained 100% ownership of the former Lucky Frenchman property.

The Company applied for a Mines Act permit for drilling on the Lucky Frenchman property; this application is currently on hold with the Ministry.

For geological details of the individual properties, please refer to the Company's website at <https://www.auramex.com>. Except for the Lode3/VON option, no work was carried out on this project in 2019.

The American Creek Project

The project extends approximately 15 kilometres N-S along the lower American Creek corridor and south of its confluence with the Bear River. Properties included in this project are: Champion, Confluence, Silver Crown and Dorothy 2.

The Company holds a dominant land position in the lower American Creek corridor, centred on the east side of the creek, opposite Mountain Boy Mineral Ltd's American Creek West property. Within the corridor are three past-producing high-grade silver mines (Mountain Boy, Terminus and Ketchum), located in close proximity to each other and are all near 1000 m elevation. The working hypothesis is that the high-grade silver zones represent the upper portions of extensive hydrothermal systems, with the lower portions of the system(s) underlying those high-level expressions.

Auramex considers the project area to be underexplored, especially given the presence of the nearby past-producing mines, the prospective geology enhanced by more modern interpretations and the encouraging results reported by Pretium Resources Inc. along the corridor on their adjacent property to the north. Drilling by Pretium Resources Inc. (www.pretium.com) on their American Creek Zone included holes within 4 km of the Auramex property and produced significant values of gold and silver within that zone.

The Champion property covers 6 km of the American Creek corridor and encloses the past-producing Terminus silver mine. An airborne geophysical survey by a previous operator identified an area of anomalous VLF-EM response coincident with the historic high-grade silver mine.

In March, the Company optioned the Dorothy 2 tenure; it is adjacent to the Champion property on the east side of American Creek, with the lower portion of the property accessible by road. Nearby are the past producing Terminus mine and the historic Mountain Boy mine on the opposite side of American Creek. Both were high-grade silver mines

and are hosted in a geological trend that continues onto Dorothy 2. Intrusive bodies as of yet undetermined age are present on the property. This property has seen minimal modern exploration as attention has been focused on the three past producers.

Also in March, the Company secured an option to acquire a 100-per-cent interest in the 1,720-hectare Silver Crown property; the Company subsequently optioned to Mountain Boy Minerals Ltd. the right to earn 100% of its interest in a majority portion of the property. This addition adjoins Champion and the historic Ketchum mine on the north end and extends south to Decade's Red Cliff property. The property shares the same geological setting as the neighbouring mines, yet has seen little modern exploration.

To the south, at lower elevations near the creek's confluence with the Bear River, is the Confluence property. It encloses an area adjacent to the Red Cliff property of Decade, along two southeast trending structural anomalies. Subsequent to year end the Company has been advised that the Confluence option has been abandoned, the result of which reunites the property under 100% ownership by Auramex.

No field work was carried out on this project in 2019.

The Tide North Project

The Tide North Project consists of the Tide North Property, located 3.5 kilometres north of the Tide airstrip on the Granduc Mine road. It is located 9 km north of the historic Scottie Gold Mine, which is presently being evaluated by Scottie Resources Corp.

The property was acquired by Auramex for its potential to host an Eskay Creek-style deposit.

In 2009, Auramex commissioned Geotech to fly VTEM-M geophysics over parts of the Tide North property. A large, 900 by 300 metre zone of anomalous conductivity was identified and three zones within the anomaly were selected for drilling. The conductivity anomalies are consistent with conductive strata of the Iskut River formation presented in a north-westerly trending syncline across the property.

In October 2014, Pretivm completed a 501 metre diamond drill hole into the B-Zone on behalf of the Company, in consideration of receiving a right-of-way for their power line over Auramex' tenures. The hole was successful in testing the geophysical target, intersecting minor stratabound sulphide in highly graphitic rocks. The geological target, at the base of the Iskut River Formation, was not tested, but casing remains in the hole in anticipation of extending the hole. Five years of work assessment was applied, keeping the property in good standing to May of 2021.

No field work was carried out on this project in 2019. However, application was made for a Mines Act permit and the Company received notice from the Ministry that the review process was complete. The final step required by the Company is posting of a security deposit by July 01, 2020.

Exploration Overview

During 2017, interests in several tenures were optioned to companies in return for cash, work commitments and assessment credits. (See Note 5 to the Financial Statements, under Option Agreements, for full details.) The credits were applied to extend the expiry dates on 9,606 hectares by five years to December 31, 2022.

In addition, in December 2017, the Company commissioned a Synthetic Aperture Radar (SAR) survey over the Georgia River project area, with the interpretation continuing through the first quarter 2018. The survey used data from Canada's RadarSat constellation. Interpretation enabled sub-surface geological features to be identified and these features are helping to interpret previous geological mapping and geophysical data obtained through airborne and ground surveys, in order to direct further exploration on the property.

During 2018 and early 2019, property positions were further expanded through direct purchases and options. In 2018 a six-member geological team consolidated and reviewed existing information on the various projects and carried out field work which corroborated and expanded geological understanding. Application was made for Mines Act permits for drilling on the Bear Pass project (Lucky Frenchman property), Tide North project and Georgia River project. Please refer to the relevant project sections for further details.

For the 2018 program, properties in the American Creek corridor and the Bear Pass area were explored under a cooperative exploration agreement with a company that holds adjoining properties. Field work during the summer consisted of a reconnaissance scale mapping and geochemical sampling program on all of its projects, save for Tide North.

With the exception of the Lode 3/VON option (see Bear Pass, previous section), 2019 field work was focused on the Georgia River Mine property. This consisted of re-boxing, cataloguing, and analysis of drill core from previous operators located at Georgia River. Results from this work continue to be compiled, along with historic data sets.

The geological data obtained from the historic core analysis is a cost-effective opportunity that is providing valuable new technical information which the Auramex team will use to design the next drill program. That information will greatly enhance the effectiveness of a drill program.

The initial Auramex drill program is intended to:

- Validate the extensive drill hole data base;
- Further extend the known high-grade occurrence, laterally and to depth;
- Most importantly: to test the large-scale potential of this extensive gold-bearing hydrothermal system.

Subject to funding, the Company intends to continue its evaluation of the core at Georgia River, compile data and conduct an initial diamond drill program in 2020.

The technical disclosure in this MD&A has been read and approved by Dr. Paul Metcalfe, PhD, P.Geo., a qualified person as defined in National Instrument 43-101

SELECTED ANNUAL INFORMATION

	Years Ended		
	December 31, 2019	December 31, 2018	December 31, 2017
Total revenues	\$ -	\$ -	\$ -
Loss for the year	(544,959)	(29,150)	(276,135)
Comprehensive Loss	(544,959)	(29,150)	(276,134)
Basic and diluted loss per share	(0.011)	(0.001)	(0.013)
Total assets	3,400,086	2,884,664	2,341,792
Long term liabilities	Nil	Nil	Nil
Dividends declared	N/A	N/A	N/A

The Company has recorded losses in each of its three most recently completed fiscal years and expects to continue to record losses until such time as an economic resource is identified, developed and brought into profitable commercial operation on one or more of the Company's properties, or otherwise disposed of at a profit. Expenses during a given year are largely dependent on the funds raised in the period.

A significant portion of the net loss of the Company in 2017 includes share-based payments and a Mexican property tax payment that had no equivalent in 2016. The loss in 2018 was significantly reduced by the profit on the sale of the subsidiary of \$301,301. The loss in 2019 includes share based payments and includes significantly higher marketing and promotional expenses.

The variation in total assets is consistent with the increase in capitalized mineral exploration costs and the cash balance at year end.

Summary of Quarterly Results

The following table sets out selected financial information for each of the last eight quarters ended December 31, 2019:

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Total revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss for the period	(88,414)	(204,103)	(95,114)	(157,328)	(87,543)	(101,876)	(63,558)	223,827
Basic and diluted loss per share	(0.002)	(0.004)	(0.002)	(0.003)	(0.002)	(0.003)	(0.002)	0.007

Fluctuations in results from quarter to quarter can be explained in part by availability of funds and the corresponding associated level of activity. Q3 2018, and Q3 2019 include share based compensation costs. The net income in Q1 2018 results from the profit on sale of the subsidiary.

Results of Operations

	Three Months Ended December 31		Year Ended December 31	
	2019	2018	2019	2018
Expenses				
Directors fees	5,000	-	12,500	450
Insurance	2,259	999	6,002	3,985
Management and consulting fees	46,200	50,700	193,267	187,053
Marketing and promotion	15,710	31,585	110,227	36,861
Property investigation	10,000	-	10,000	-
Office and sundry	1,724	10,190	7,658	14,000
Professional fees	520	2,997	49,497	46,023
Share based payment expense	-	-	147,042	27,702
Transfer agent and filing fees	4,252	7,526	23,191	28,866
Travel	603	3,833	9,510	5,801
	86,268	107,830	568,894	350,741

The operating loss for the year ended December 31, 2019 amounted to \$568,894, compared to \$350,741 in the same period in the prior year. The increase in the operating loss of \$218,153 is mainly attributable to an increase in share based payment expense resulting from stock options issued in the year, and increased marketing and promotional activity.

The company recorded a gain on the sale of tax benefits resulting from flow-through expenditure of \$7,730, and received additional income of \$18,000 in respect of the sale of the subsidiary the prior year, resulting in a net comprehensive loss of \$544,959 for the year.

The loss for the 3 months ended December 31, 2019 amounted to \$86,268 compared to \$107,830 in the prior year. The decrease of \$21,545 is attributable to a decline in activity in the last quarter compared the prior year as the Company sought to conserve cash, offset by additional directors fees and mineral property costs expensed.

Capital Resources and Liquidity

The Company is an exploration stage company and has to raise funds by the issuance of its common share or other financial instruments, or by entering partnering or joint venture arrangements. As at December 31, 2019 the Company had cash on of \$56,634 and intends to raise additional capital to fund its planned exploration activities.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Financial Instruments and Risk Management

As at December 31, 2019, the Company's financial instruments are comprised of cash, amounts due to related parties, and accounts payable and accrued liabilities. The carrying value of cash, due to related parties, reclamation

bonds, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, and cash.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have not changed over the period presented. The Company is not subject to any externally imposed capital requirements.

Related Party Transactions

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Years ended December 31,	
	2019	2018
Directors' fees	\$ 12,500	\$ 450
Management and consulting fees	239,500	187,000
Geological consulting fees	178,408	55,025
Share based payments	120,871	27,703
	\$ 551,277	\$ 270,178

At December 31, 2019, an amount of \$240,626 (December 31, 2018 - \$34,290) was included in accounts payable and accrued liabilities for unpaid amounts relating to fees and expenses owed to officers and directors, and to companies controlled by them.

During the year ended December 31, 2018, the Company paid principal of \$12,000 and interest of \$983 on loans from directors.

During the year ended December 31, 2018, the Company issued 3,013,750 shares at a price of \$0.09 per share to settle debt in the amount of \$241,100 owing to related parties, of which \$50,000 were shareholder loans and

\$191,000 was included in accounts payable and accrued liabilities, resulting in a loss on settlement of debt of \$30,238 (See Note 6 to the Financial Statements).

Mountain Boy Minerals Ltd. has a director in common with the Company and is a related party. Both Mountain Boy Minerals and the Company have performed exploration work and incurred expenses on behalf of each other. The balance owing by Mountain Boy Limited in respect of these expenditures amounted to \$4,172 at December 31, 2019 (2018 - \$4,183). In addition, the Company has entered into various Mineral Property Option agreements as described in Note 5 to the Financial Statements.

Disclosure of Outstanding Share Data

At the date of this report, the Company has 57,628,899 common shares outstanding. The following table provides a summary of the Company's stock options outstanding at the date of this report:

Expiry Date	Exercise Price*	Number of options*
July 12, 2023	\$0.055	518,000
September 24, 2024	\$0.05	400,000
February 8, 2027	\$0.05	500,000
December 19, 2027	\$0.05	233,000
January 28, 2024	\$0.05	715,000
July 7, 2024	\$0.06	1,775,000
Total		4,141,000

The following table provides a summary of the Company's warrants outstanding at the date of this report:

Expiry Date	Exercise Price*	Number of warrants*
February 22, 2021	\$0.07	7,630,000
April 18, 2021	\$0.07	2,600,000
Total		10,230,000

Adoption of Accounting Standards and Pronouncements under IFRS

Accounting Standards adopted during the year

The following standards have been adopted as at January 1, 2019. The Company has determined the impact of the new requirements to be not material.

IFRS 16, Leases ("IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

New standards and interpretations not yet adopted

There are no IFRS that are not yet effective that would be expected to have a material impact on the Company.

Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Forward Looking Statements

All statements in this discussion, other than statements of historical facts, that address future exploration drilling, exploration activities, anticipated metal production, internal rate of return, estimated ore grades, commencement of production estimates and projected exploration and capital expenditures (including costs and other estimates upon which such projections are based) and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration success, continued availability of capital and financing, as well as general economic, market or business conditions. Accordingly, readers should not place undue reliance on forward-looking statements.

Risks and uncertainties

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company’s business, actually occur, the Company’s assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company’s securities could decline and investors may lose all or part of their investment.

Covid-19

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.

Title matters

While the Company has performed its diligence with respect to title of its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements of transfer or other adverse land claims, and title may be affected by undetected defects.

Availability of financing

There is no assurance that additional funding will be available to the Company for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Management

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company.

Environmental legislation

Environmental legislation is becoming increasingly stringent and the costs of compliance with environmental legislation are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated

Economics of developing mineral properties

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines.

With respect to the Company's properties, should any mineral resource exist, substantial expenditures will be required to confirm that mineral reserves which are sufficient to commercially mine exist on its current properties, and to obtain the required environmental approvals and permits required to commence commercial operations. Should any resource be defined on such properties, there can be no assurance that the mineral resources on such properties can be commercially mined or that the metallurgical processing will produce economically viable, merchantable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) market prices for the minerals to be produced; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and/or governmental regulation and control.

The ability of the Company to sell and profit from the sale of any eventual mineral production from any of the Company's properties will be subject to the prevailing conditions in the global minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of the Company and therefore represent a market risk which could impact the long-term viability of the Company and its operations.