



MISTANGO RIVER

R E S O U R C E S

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

December 31, 2017

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") has been prepared based on information available to Mistango River Resources Inc. ("Mistango" or the "Company") as at April 27, 2018. This MD&A should be read in conjunction with the Company's audited financial statements and the related notes for the years ended December 31, 2017 and 2016. The accompanying financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS") and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109.

CAUTIONARY NOTE

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law. See the section entitled **Risks and Uncertainties**.

Overview

Mistango is a Canadian-based junior mining and exploration company incorporated under the Canada Business Corporations Act which currently holds a portfolio of exploration stage projects in Ontario, which Mistango continues to evaluate. Recent developments include the following:

- Beginning in the fall of 2017 and continuing through 2018 the Company has stacked 6 new claims adjoining its Sackville Property. The Company has identified several identified targets derived from an IP survey and the recently completed work and pleased to report that the Company will drill test 7 anomalies from its newly stacked claims.
- In July 2016, the Company sold its Casa Berardi claims located in Western Quebec to Galway Metals Inc. (TSX-V: GWM) ("Galway") for cash consideration of \$700,000. In addition, the Company retained a transferable 1% net smelter royalty ("NSR") on portions of three claims that comprised the former mining lease, which host the Main Zone and part of the Central Zone. The NSR may be purchased at any time by Galway for \$1,000,000.

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- On July 10, 2013, the Company filed a National Instrument 43-101 resource estimate on the 100% owned Omega Project. In the potential open pit area the inferred+indicated resource tonnes have been increased by 117% and contained ounces of gold by 34%. The global inferred+indicated resource tonnes have been increased by 92% and the global contained gold ounces by 24%. The Inferred Mineral Resource estimate, at cut-offs of 0.5 g/t Au for mineralization above an elevation of 130 m above sea level (masl), representing open-pit potential and for a cut-off of 3 g/t Au below 130 masl, representing underground potential is set out in the table below. Note that 130 masl approximately corresponds to 170 m vertical depth in areas proximal to main mineralization zones:

| Cut-off grade | Classification | Tonnes (Mt) | Au (g/t) | Contained (Oz) |
|------------------------|----------------|-------------|------------------------|----------------|
| 0.5 g/t above 130 masl | Indicated | 4.92 | 1.39 | 219,438 |
| 3 g/t below 130 masl | Indicated | 0.003 | 3.19 | 370 |
| | | | Total Indicated | 219,808 |
| 0.5 g/t above 130 masl | Inferred | 3.35 | 1.8 | 190,900 |
| 3 g/t below 130 masl | Inferred | 1.34 | 4.0 | 174,500 |
| | | | Total Inferred | 365,400 |

Note: A constant bulk density of 2.8 t/m³ has been used.

Overall Performance

Over the last four years, the global financial and commodity markets were characterized by extreme volatility as market participants reacted and responded to uncertainty and pessimism over the depressed North American and international economies. These circumstances have had an impact on the Company's operations and, in particular, on the economics of its existing exploration and development projects, its strategy to evaluate and, if attractive, complete potential acquisitions and otherwise its ability to pursue growth opportunities. In the short-term, the Company expects to focus its exploration activities on the Omega Property in Ontario.

The Company will continue to evaluate its strategic options and potential acquisitions and may, if conditions are favourable, seek to raise additional funds through a private or public offering of securities or debt as required.

Future plans

- The future performance of the Company is largely tied to the exploration and development of Omega Property and the current exploration program on the Sackville Property. The Company has received and reviewed drill and assay results and recently updated its National Instrument 43-101 resource estimate on the Omega property. The Company is now evaluating potential alternatives as its next step in its plan including but not limited to seeking a potential buyer for a potential sale of the property, additional exploration likely aimed at increasing the deposit to depth and or development of the Omega property to a potential Preliminary Economic Assessment ("PEA"). The Company is still evaluating all alternatives and has not made any decision on its next steps. The Company expects to incur only consulting, taxes and care and maintenance costs in the next few quarters on the Omega property.
- Financial markets continued to be volatile in Canada, reflecting ongoing concerns about the stability of the global economy, weakening global growth prospects and recent global government protectionism policies. The Company does see difficulties in raising equity for the purposes of carrying out exploration and development activities on its current properties or acquiring new assets in the near future. See "Risk and Uncertainties".

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Annual Financial Information

| Expressed in Canadian dollars, except share amounts | December 31, 2017 \$ | December 31, 2016 \$ | December 31, 2015 \$ |
|---|----------------------------|----------------------------|----------------------------|
| Cash | 366,683 | 689,013 | 176,961 |
| Property, plant and equipment | 72,425 | 90,530 | 113,162 |
| Total assets | 454,714 | 792,839 | 298,708 |
| Working capital (deficiency) | (8,212) | 307,516 | (152,264) |
| Cash provided from (used in) from operations | (381,577) | 512,052 | (416,979) |
| Common shares outstanding | 38,073,481 | 38,073,481 | 38,073,481 |
| Operating expenses | 391,833 | (437,148) | 507,305 |
| Net income (loss) | (333,833) | 437,148 | (573,058) |
| Other comprehensive income (loss) | (2,507) | 3,754 | - |
| Net income (loss) per share- basic and diluted | (0.01) | 0.01 | (0.02) |
| Dividends paid | 0.00 | 0.00 | 0.00 |

Selected Quarterly Information

| | 2017 Q4 \$ | 2017 Q3 \$ | 2017 Q2 \$ | 2017 Q1 \$ |
|--|---------------|---------------|---------------|---------------|
| Expenses | 134,773 | 75,762 | 97,337 | 83,961 |
| Net loss | (134,773) | (75,762) | (39,337) | (83,961) |
| Basic and fully diluted loss per share | (0.00) | (0.00) | (0.00) | (0.00) |

| | 2016 Q4 \$ | 2016 Q3 \$ | 2016 Q2 \$ | 2016 Q1 \$ |
|--|---------------|---------------|---------------|---------------|
| Expenses | 76,658 | (654,340) | 71,048 | 69,486 |
| Net income (loss) | (76,658) | 654,340 | (71,048) | (69,486) |
| Basic and fully diluted loss per share | (0.00) | 0.02 | (0.00) | (0.00) |

Results of Operations

Three months ended December 31, 2017 and 2016

For the three month period ended December 31, 2017, the Company posted net loss of \$134,773 compared to net loss of \$76,658 in the same period in 2016. Net loss per share was 0¢ (2016 – 0¢). The difference in net loss is mainly a result of an increase exploration and evaluation expenditures in the month period ended December 31, 2017.

General office expenses for the three month period ended December 31, 2017 were \$9,921 (2016 - \$13,302), professional fees and consulting decreased in the three month period ended December 31, 2017 to \$10,350 (2016 - \$11,000) and shareholder information expenses decreased in the three month period ended December 31, 2017 to \$3,374 (2016 - \$2,624) due to the Company minimizing all costs are only incurring essential service costs. These fees are expected to be consistent in the coming quarters.

Salaries, fees and benefits for the three month period ended December 31, 2017 were \$21,272 (2016 - \$15,000). These fees are expected to be consistent in the coming quarters.

Exploration and evaluation expenditures increased in the three month period ended December 31, 2017 to \$84,889 (2016 - \$29,076) as management began exploration work on its newly stacked claims adjoining its Sackville property. In the coming quarter, these expenditures are expected to increase as the Company prepares to drill test 7 anomalies from its newly stacked claims.

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years ended December 31, 2017 and 2016

For the year ended December 31, 2017, the Company posted net loss of \$333,833 compared to net income of \$437,148 in the same period in 2016. Net loss per share was 1¢ (2016 – income of 1¢). The difference in current year net loss compared to the prior year is the difference in exploration and evaluation expenditures, offset slightly by a recovery in a previously written off promissory note receivable in the year ended December 31, 2017 of \$58,000 (2016 - \$Nil).

General office expenses for the year ended December 31, 2017 were \$34,684 (2016 - \$43,335), professional fees and consulting increased slightly in the year ended December 31, 2017 to \$45,316 (2016 - \$42,682) and shareholder information expenses increased in the year ended December 31, 2017 to \$20,525 (2016 - \$15,635) due to higher investor relations services in the year relating to the Company's annual general meeting.

Salaries, fees and benefits for the year ended December 31, 2017 were \$93,616 (2016 - \$94,764). These fees are expected to be consistent in the coming year. In addition, the president and CEO has elected to continue to reduce his salary in 2018 until financial conditions of the Company improve.

Exploration and evaluation expenditures increased in the year ended December 31, 2017 to \$179,587 (2016 – recovery \$656,196). The prior year recovery was as a result of the sale of the Company's Casa Berardi claims for cash proceeds of \$700,000. The Company has currently put all of its properties on care and maintenance as it seeks out additional financing and better market conditions, except for its newly stacked claims adjoining its Sackville property. The Company has begun preliminary work and prepares to drill test 7 anomalies from its newly stacked claims.

Capital Resources and Liquidity

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and on the assumption that Mistango will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business as a going concern. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing and reach positive cash flows from operations.

Capital Resources

As at December 31, 2017, the Company had cash of \$366,683 (2016 - \$689,013), working deficiency of \$8,212 (2016 – capital of \$307,516). The Company will use this cash and seek additional financing as needed to fund its on-going operations. The Company expects its monthly burn rate on operations for the next few quarters to be around \$30,000. Based on the expected burn rate management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve month period. However, management plans on securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful.

Liquidity

Future Sources of Funds

The exploration and development of the Company's properties depends on the ability of the Company to obtain financing. If the Company's exploration programs are successful, additional funds will be required to develop Mistango's properties and, if successful, to place them in commercial production. The only sources of future funds available to the Company are further offerings of either debt or equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

There are no other statement of financial position conditions that would adversely affect the Company's liquidity.

Commitments and Contingencies

The Company may become subject to tax audits of the flow-through expenditures renounced to investors; however, the Company believes that all Canadian Exploration Expenditures were effected and renounced in compliance with the prescribed regulations of the *Income Tax Act (Canada)*.

The Company has entered into a one-year lease extension for its current location in Kirkland Lake with a Company owned by the President of the Company.

Mineral properties

The following table summarizes the Company's exploration activity during the years ended December 31, 2017 and 2016:

| | Year ended December 31, | | Cumulative |
|--|-------------------------|---------------------|---------------------|
| | 2017 | 2016 | to date * |
| Baldwin, Ontario | \$ 1,333 | \$ 1,231 | \$ 601,712 |
| Casa Berardi, Quebec | - | (699,898) | - |
| Goldie, Ontario | - | - | 513,053 |
| Kirkland West, Ontario | 1,208 | 1,208 | 261,530 |
| Omega Property, Ontario | 90,630 | 11,090 | 5,874,270 |
| Sackville, Ontario | 86,272 | 119 | 974,402 |
| General and other | 144 | 978 | 113,650 |
| Exploration and evaluation expenditures | \$ 179,587 | \$ (685,272) | \$ 8,338,617 |

* Only properties currently under exploration are included in this figure.

Omega Property

On July 10, 2013, the Company filed a National Instrument 43-101 resource estimate on the 100% owned Omega Project. In the potential open pit area the inferred+indicated resource tonnes have been increased by 117% and contained ounces of gold by 34%. The global inferred+indicated resource tonnes have been increased by 92% and the global contained gold ounces by 24%. The Inferred Mineral Resource estimate, at cut-offs of 0.5 g/t Au for mineralization above an elevation of 130 m above sea level (masl), representing open-pit potential and for a cut-off of 3 g/t Au below 130 masl, representing underground potential is set out in the table below. Note that 130 masl approximately corresponds to 170 m vertical depth in areas proximal to main mineralization zones:

| Cut-off grade | Classification | Tonnes (Mt) | Au (g/t) | Contained (Oz) |
|------------------------|----------------|-------------|------------------------|----------------|
| 0.5 g/t above 130 masl | Indicated | 4.92 | 1.39 | 219,438 |
| 3 g/t below 130 masl | Indicated | 0.003 | 3.19 | 370 |
| | | | Total Indicated | 219,808 |
| 0.5 g/t above 130 masl | Inferred | 3.35 | 1.8 | 190,900 |
| 3 g/t below 130 masl | Inferred | 1.34 | 4.0 | 174,500 |
| | | | Total Inferred | 365,400 |

Note: A constant bulk density of 2.8 t/m³ has been used.

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Kirkland West Property

The Company is reviewing all its historical work on this property to outline an exploration program in future.

Sackville Property

Mistango holds a 100% interest in the Sackville Property with RJK Explorations Ltd. retaining a 1% NSR. Mistango has now received all the geochemistry samples undertaken during 2010. Upon reviewing this data and older data, there appears to be a significant area of high enzyme leach geochemistry results in an area of low magnetics. This is an area yet to be tested by any drilling and has been tested only partially by geophysics. The property could potentially be the host of the high grade gold/silver/zinc boulders discovered previously. In 2010, Mistango completed a 43-101 report on the property which can be reviewed on www.sedar.ca or the company's website at www.mistangoriverresources.com.

During the year ended December 31, 2017 the Company staked an additional 2 claims connected to its Sackville property. Subsequent to December 31, 2017, the Company staked an additional 4 claims connected to its Sackville property.

General

The Company has identified several identified targets derived from an IP survey and the recently completed work and pleased to report that the Company will drill test 7 anomalies from its newly stacked claims adjoining its Sackville Property. The Company has no other exploration or evaluation work planned for its other exploration properties during 2018. Timing of receipt of proceeds from the sale of assets and/or participation in a flow-through share arrangement will affect timing of exploration and development of each of Baldwin/Omega and Sackville properties during 2018.

Dividend Record

There are no restrictions that prevent the Company from paying dividends. The Company has not paid any dividends on its common shares during the last 5 fiscal years. The Company currently has no intention of paying any dividends on its Class A common shares. The Board of Directors of the Company will determine if and when dividends should be declared and paid in the future, based on the Company's financial position at the relevant time.

Critical Accounting Estimates

The preparation of the financial statements are in conformity with IFRS and require management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of trade and other receivables, valuation of deferred income tax amounts and the calculation of share-based payments and warrants. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Going concern assumption

Going concern presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Measurement of financial instruments under Level 1 of the fair value hierarchy

Management also are required to make judgments on whether marketable securities have sufficient trading volume and reasonable bid-ask spread to determine if they are active enough to be measured at Level 1 of the fair value hierarchy or if other levels are more appropriate.

Calculation of share based payments and warrants

The Black-Scholes option pricing model is used to determine the fair value for the share based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Income taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. The Company follows the liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities recorded at the statement of financial position date could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

Decommissioning provisions

These are made based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions on a quarterly basis. Actual rehabilitation costs will ultimately depend on actual future settlement amount for the rehabilitation costs which will reflect the market condition at the time of the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

Related Party Transactions and Key Management

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management during the years ended December 31, 2017 and 2016 included:

| Year Ended December 31, | 2017 | 2016 |
|---|------------|------------|
| Balances: | | |
| Short-term employee benefits | \$ 253,000 | \$ 168,000 |
| Total compensation paid to key management | \$ 253,000 | \$ 168,000 |

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other services to Mistango. Management believes that all transactions were conducted in the normal course of operations and are measured at the exchange amounts, which is the amount of consideration established and agreed to by the related parties and are as follows:

During the year ended December 31, 2017, the Company was charged \$22,000 (2016 - \$22,000) for administrative costs are comprised of rent paid to a company controlled by the President of the Company (See Note 14 - Commitments and Contractual Obligations).

Trade and other payables at December 31, 2017 includes \$110,000 (2016 - \$113,000) owing to officers, directors and companies controlled by officers and directors.

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional Disclosure for Venture Companies without Significant Revenue

| Year ended December 31, | 2017 | 2016 |
|--|-------------------|---------------------|
| Exploration and evaluation expenditures in the year | | |
| Government fees | \$ 4,671 | \$ 5,428 |
| Acquisition staking | 2,022 | - |
| Proceeds from sale of property | - | (699,985) |
| Geo Reporting and Geophysics | 35,000 | - |
| Line cutting | 9,920 | - |
| Travel | 8,116 | - |
| Equipment rental | - | 119 |
| Project administration | 117,405 | 38,242 |
| Other | 2,453 | - |
| | \$ 179,587 | \$ (656,196) |

Outstanding Share Data

Mistango's share capital consists of an unlimited number of Class A voting common shares and an unlimited number of non-voting, redeemable Class B Preferred Shares, Series A. This series of shares is redeemable by Mistango, in whole or in part, at the rate of \$1,000 per Series A share. The holders of Series A shares are not entitled to receive dividends. There were no Class B, Series A Preferred Shares issued as at the date of this MDA.

| As at April 27, 2018 | Outstanding |
|------------------------------|-------------------|
| Class A common shares issued | 38,073,481 |
| Shares issuable pursuant to: | |
| Stock options | 3,690,000 |
| Fully diluted | 41,763,481 |

Risks and Uncertainties

Operational

There is uncertainty about the Company's ability to realize the carrying value of its assets and discharge its liabilities as they come due. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing and reach positive cash flows from operations.

The Company's assets are subject to the risk of increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations. Operational risks include finding and developing economic ore reserves. Financial risks include interest and U.S. dollar exchange rates, which are beyond the control of the Company. The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of exploited minerals and metals. The Company is subject to various regulatory risks, many of which also are beyond the control of the Company.

The Company is considered to be in the exploration stage and has not yet recorded any revenues from its on-going operations nor has the Company commenced commercial production on any of its properties. There can be no assurance that the Company will generate any revenues or that the assumed levels of expenses will prove to be accurate.

The Company expects to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require substantial resources to complete the development of its properties. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future.

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing development, the results of consultant's analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

The Company's vulnerability to changes in metal prices may cause its share price to be volatile and may affect the Company's operations and financial results.

Changes in the market price of precious and base metals will significantly impact the ability of the Company to finance its operations and, indirectly, its share price. The Company's financial results will be very sensitive to external economic factors related to metal prices. A major risk will arise if there is a prolonged period of lower metal prices. Many factors beyond the Company's control influence the market price of the metals the Company seeks on its mineral properties. These factors include: global supply and demand; availability and costs of metal substitutes; speculative activities; international political and economic conditions; and production levels and costs in other gold-producing countries.

The Company is subject to extensive environmental legislation and the costs of complying with these regulations may be significant. Changes in environmental legislation could increase the costs of complying with applicable regulations and reduce levels of production. Environmental legislation relating to land, air and water affects nearly all aspects of the Company's operations. This legislation requires the Company to obtain various operating licenses and also imposes standards and controls on activities relating to exploration, development and production of gold and other precious metals. The cost of obtaining operating licenses and abiding by standards and controls on its activities may be significant. Further, if the Company fails to obtain or maintain such operating licenses or breaches such standards or controls imposed on its activities, it may not be able to continue its operations in its usual manner, or at all, or the Company may be subject to fines or other claims for remediation which may have a material adverse impact on its operations or financial results. The Company will be responsible for all costs of closure and reclamation at the Goldfields Mine. While the Company is unaware of any existing material environmental liabilities, it cannot guarantee that no such liabilities currently exist or will occur in the future.

Changes in environmental laws, new information on existing environmental conditions or other events may increase future compliance expenditures or otherwise have a negative effect on the Company's financial condition and results of operations. In addition to existing requirements, it is expected that other environmental regulations will likely be implemented in the future with the objective of protecting human health and the environment. Some of the issues currently under review by environmental agencies include reducing or stabilizing air emissions, mine reclamation and restoration, and water quality. Other changes in environmental legislation could have a negative effect on production levels, product demand, product quality and methods of production and distribution. The complexity and breadth of these issues make it difficult for the Company to predict their impact. The Company expects that capital and operating expenditures will increase as a result of compliance with the introduction of new more stringent environmental regulations. Failure to comply with environmental legislation may result in the issuance of clean-up orders, imposition of penalties, liability for related damages and the loss of operating permits. While the Company believes it is now in material compliance with existing environmental legislation, it cannot give assurances that it will, at all future times, be in compliance with all federal and provincial environmental regulations or that steps to bring the Company into compliance would not have a negative effect on its financial condition and results of operations. The mining industry is intensely competitive and the Corporation must compete in all aspects of its operations with a substantial number of other junior mining companies, some of which have greater technical and financial resources. The Company may be at a disadvantage with respect to some of its competitors in the acquisition and/or development of high potential mining properties throughout the principal markets and geographical areas in which the Company carries on its business activities.

Financing risk

There can be no assurance that any funding required by the Company will become available, and, if so, that it will be offered on reasonable terms or that the Company will be able to secure such funding through third party

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects or that they can be secured on competitive terms.

Political Risk

All of the Company's properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Canada. The Company's mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Segregation of duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to the Company's small size and limited resources, a complete segregation of duties within the Company's accounting group cannot be fully achieved. The result is that the Company is highly reliant on the performance of mitigating procedures during the process of closing its financial statements in order to ensure the financial statements are presented fairly in all material respects. Management will identify and hire additional accounting resources where cost effective and when required. Where it is not cost effective to obtain additional accounting resources, management will review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Reliance on Management

The success of the Company depends to a large extent upon its abilities to retain the services of its senior management and key personnel. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Financial Instruments

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

Fair value

The Company's financial instruments as at December 31, 2017 include cash, trade and other receivables, investments, and trade and other payables. The Company has designated its cash as FVTPL, which are measured at fair value. Cash is determined based on transaction values and are categorized as Level 1 measurement. The Company has designated its investments as available-for-sale, which are measured at fair value and is determined based on transaction value and is categorized as Level 1 measurement. Fair value of trade and other receivables and trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements. The Company records its financial instruments at their carrying amounts which approximate fair value, unless otherwise disclosed in the financial statements. The carrying amounts approximate fair values due to the short-term maturities of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Interest-rate risk

The Company has cash and cash equivalents balances bearing fixed interest rates and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash included in current assets. The Company has no material concentration of credit risk arising from operations. Cash consist of bank deposits, which have been invested in a Canadian chartered bank, from which management believes the risk of loss is remote. As at December 31, 2017, the Company's receivables primarily consist of amounts due from the Canadian government. The Company's receivables are normally collected within a 60-90 day period. The Company has not experienced any significant collection issues to December 31, 2017. The Company is exposed to credit risk with regards to debtors refusing payment and the government denying the Company claims filed.

The Company's maximum exposure to credit risk as at December 31, 2017 is the carrying value of cash and trade and other receivables.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had current assets of \$376,856 (2016 - \$694,369) to settle current liabilities of \$385,068 (2016 - \$386,853). The ability of the Company to continue to pursue its exploration activities and continue as a going concern is dependent on its ability to secure additional equity or other financing. All of the Company's financial liabilities (other than long-term debt) have contractual maturities of less than 30 days and are subject to normal trade terms. As at December 31, 2017, the Company had working capital deficiency of \$8,212 (2016 – capital of \$307,516).

Mistango River Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Price risk

The Company holds common shares of companies traded on the Toronto stock exchange Venture. The Company has classified some of these investments as available-for-sale and such common shares are subject to stock market volatility. The value of this financial instrument fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

Internal Control over Financial Reporting

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Company's President and Chief Executive Officer and Chief Financial Officer have ensured the design of internal control over financial reporting.

During the most recent year, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Other Information

This MD&A of the financial position and results of operation as at December 31, 2017, should be read in conjunction with the audited financial statements and related notes for the years ended December 31, 2017 and 2016. Additional information will be accessible at the Company's website www.mistangoriverresources.ca or through the Company's public filings at www.sedar.com.

Management's Responsibility

Management is responsible for all information contained in this MD&A. The financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited financial statements with management. The Board of Directors has approved these audited financial statements on the recommendation of the Audit Committee.

"Robert J. Kasner"
President and Chief Executive Officer

April 27, 2018