



Management Discussion and Analysis

Six Months Ended June 30, 2019

Mistango River Resources Inc.

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Introduction

August 29, 2019

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 August 29, 2019. The MD&A of the operating results and financial condition of the Company for the six months ended June 30, 2019, should be read in conjunction with the Company’s condensed interim financial statements (*unaudited*) for the six months ended June 30, 2019 and 2018 (the “Financial Statements”) and the audited financial statements and the related notes as at and for the years ended December 31, 2018 and 2017. The Financial Statements have been prepared by management and are in accordance with International Financial Reporting Standards. All amounts reported in these Financial Statements 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 the Company’s website www.mistangoriverresources.ca and on SEDAR at www.sedar.com.

Corporate Overview and Outlook

Mistango is a Canadian-based junior mining and exploration company incorporated under the Canada Business Corporations. The Company holds a portfolio of exploration stage projects in the Province of Ontario, which Mistango continues to evaluate.

Over the past five years the price of gold has traded in a narrow band of US\$1,200.00 to US\$1,300.00 per ounce of gold. Over the past number of months gold prices have increased so that it is now trading above US\$1,500.00 per ounce. This narrow five-year price range, together with gold’s recent price rally, compares to its peak price of almost US\$1,900.00 per ounce in mid to late 2011.

Investors’ gold price expectations, in part, are reflected in their investment decisions, especially in green fields projects like those owned by Mistango. Also, in the past few years, several new cannabis investment opportunities have become available to investors further detracting from their interest in gold as an investment.

Mistango however believes that its properties situated in the Abitibi area present a very good investment opportunity, especially its Omega project. As such, the Company will continue to evaluate its strategic options and potential acquisitions. These options include its ongoing efforts to raise additional funds through a private or public offering of shares or debt as required.

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Core Business Strategy

The future performance of the Company is largely tied to the exploration and development of the Omega Property in Ontario. The Company has received and reviewed drill and assay results and updated its National Instrument 43-101 resource estimate on the Omega property based upon these results.

On June 20, 2019 Mistango successfully raised \$350,000 in equity through the issuance of a non-brokered private placement of 15,909,090 flow-through common shares. As a result of raising this capital, the Company applied for an exploration permit for the Omega property, which it received in August 2019. As such Mistango is about to commence its Phase V drilling program on the Omega project. The Company retained the services of Aduvare Geology and Engineering Ltd. as consulting geologists for this drill program.

Mistango is in the process of evaluating its alternatives in the development of the Omega property. These alternatives include ongoing discussions with potential investors who want to partner with the Company to assist with the financing for further exploration of the Omega project with the objective of better defining the ore body and/or development of the property to a potential Preliminary Economic Assessment (“PEA”). The Company is also seeking a strategic buyer for this property.

Mistango continues to broaden its efforts, with some tentative success, to obtain additional equity financing to enable it to further expand the Omega project exploration program. In July 2019 the Company met with potential investors who are very excited about the potential for the Omega project and expressed concrete interest to invest in the Company. These investors believe in Mistango’s current directors’ and management team’s exploration expertise. They therefore decided to defer their investment until after Mistango’s September 10, 2019 Annual General Meeting of Shareholders to make a final decision on their investment. This is because they want to invest in Mistango only if the current directors and management team are reelected by its shareholders as they are not interested in seeing control of Mistango passing to a slate of dissident nominees for directors being proposed by Orefinders Resources Inc.

Mistango continues to keep its properties in good standing by ensuring that government taxes are up-to-date. The Company’s C.O.O. also periodically tours the properties to ensure the Company’s assets are secure, and performs care and maintenance, as required, on the properties.

Overall Performance

Mistango’s business activities are that of a junior mineral exploration company. The very nature of companies operating in this industry are dependent upon their ability to raise equity and/or debt financing to acquire, explore and develop their mineral exploration properties.

Mistango realized net income of \$36,444 (\$0.001 per share) for the six months ended June 30, 2019. Comprehensive income was \$41,882 (\$0.001 per share) for the same period. This compares to a net loss and comprehensive loss of \$262,072 (\$0.007 per share) for the six months ended June 30, 2018. The Company realized net income for the period as a result of \$225,000 in gains on the sale Net Smelter Returns (“Royalties”) on its Estrades, Sackville and Omega properties.

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Overall Performance *(Continued)*

This net income was also achieved through cost cutting measures implemented by the Company, which commenced in July 2018. In the third quarter of 2018, Mistango laid off both its Vice-President of Exploration as well as its Executive Assistant. At the same time, the Company replaced its Chief Financial Officer with an individual with a higher level of qualifications resulting in greater value to the Company. These personnel changes resulted in an overall savings to Mistango of \$48,000 for the six months ended June 30, 2019 compared to the six months ended June 30, 2018. The Company realized an additional savings of \$35,000 in non-cash share-based compensation since no options were issued during the six months ended June 30, 2019.

These savings were, in part, offset by \$37,400 in hostile takeover defense expenses, which were incurred to protect Mistango's shareholders from Orefinders Resources Inc.'s ("Orefinders") hostile takeover attempt. In May 2019, Orefinders commenced a campaign to take control of Mistango by trying to intimidate and force Mistango's officers, directors and auditor to resign without shareholders' approval. Management is concerned that Orefinders' intentions regarding Mistango are not in the best interest of Mistango's shareholders. As such, the Company engaged the services of its lawyers to defend Mistango's shareholders in this hostile takeover attempt.

Liquidity and Financial Condition

Due to the nature of the junior mineral exploration business, the Company relies upon external financing to fund its ongoing business activities. Financing options are continually being evaluated and pursued by the Company, such as the issuance of share capital and/or debt financing. Mistango's ability to continue as a going concern is dependent upon financing arrangements for its business activities. As with any business in this industry, there are uncertainties associated with its ability to raise additional financing through private placements, or other sources to fund these activities. As such, the Company is subject to liquidity risks.

As at June 30, 2019, the Company had working capital of \$371,294 compared to December 31, 2018 when it was \$7,708. As at June 30, 2019 Mistango had \$491,137 in current assets, being an increase of \$458,721 from December 31, 2018 when its current assets totaled \$32,416. As at June 30, 2019, Mistango's current liabilities totaled \$119,843. Of this amount \$55,900 is represented by trade debt owing to officers, directors and related companies for services provided to the Company in the normal course of business. As at December 31, 2018 current liabilities totaled \$24,708 all of which were due to third parties.

The Company had a cash balance of \$12,983 as at December 31, 2018. This cash balance increased to \$472,809 as at June 30, 2019. This \$459,826 increase resulted from both the issuance of \$350,000 in flow-through common shares issued, by way of a non-brokered private placement, plus \$225,000 received from the sale of royalties on specific properties. The \$575,000 in cash raised through these royalty sales and equity financing was utilized to pay \$28,653 in share issue costs plus \$86,521 in operating expenditures.

As at December 31, 2017 Mistango's cash balance was \$366,683, which decreased by \$224,685 to \$141,998 as at June 30, 2018. This decrease was the direct result of the Company needing to fund overhead expenses, net of non-cash share-based compensation of \$35,000, during the six months ended June 30, 2018.

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The Company's realized net income of \$113,889 for the three months ended June 30, 2019 compared to a net loss of \$130,125 for the three months ended June 30, 2018. In the third quarter of 2018 the Company engaged the services of a new C.O.O. who took immediate steps to reduce expenses by dismissing the Vice-President Exploration as well as the Company's Executive Assistant.

Exploration and evaluation expenditures decreased by \$112,500 when the six months ended June 30, 2019 is compared to the six months ended June 30, 2018. The decrease in exploration and evaluation expenditures is, in part, a direct result of savings resulting from eliminating the Vice-President of Exploration's salary of \$28,300. Another reason for the decrease is due to the fact that for the six months ended June 30, 2018 the C.O.O.'s salary of \$31,300 was allocated to exploration and evaluation expenditures since virtually all of his time in that period was incurred to advance the Company's projects. However, during the six months ended June 30, 2019 the C.O.O.'s salary and benefits of \$44,600 was allocated to salaries expense since the C.O.O.'s function during this period evolved to that of a head office function. Therefore, salaries and benefits expenses for the six months ended June 30, 2019 is represented by the C.O.O.'s salary whereas salaries expense for the comparative six months ended June 30, 2018 was represented by Mistango's share of its Executive Assistant's remuneration. The balance of the decrease between the two six-month periods is due to the fact that during the six months ended June 30, 2018 the Company conducted an exploration drilling program on its Sackville property while during the six months ended June 30, 2019 no exploration work was carried out by Mistango.

Management and consulting fees decreased from \$48,000 for the six months ended June 30, 2018 to \$40,000 for the six months ended June 30, 2019. This decrease is also a direct result of the C.O.O.'s actions to reduce overhead expenses by replacing the C.F.O. with a more qualified individual who brings greater value to the business.

Office, general and overhead expenses increased by \$5,600 from June 30, 2018 to June 30, 2019. Of this increase \$1,600 is due to the timing of insurance premium payments with the balance of the increase resulting from travel expenses incurred by the C.O.O. to attend investor meetings in Toronto and at the PDAC.

Commitments and Contingencies

The Company rents its Kirkland Lake office on a month-to-month basis from a company controlled by Mistango's C.E.O. Rent for the six months ended June 30, 2019 and 2018 was \$11,123 in each period.

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Mineral Properties

The following table summarizes the Company's exploration activity for the six months ended June 30, 2019 and 2018:

	Six Months Ended		Cumulative to date
	June 30,		
	2019	2018	
Baldwin, Ontario	\$ 184	\$ 1,447	\$ 604,637
Goldie, Ontario	-		513,053
Kirkland West, Ontario	189	1,208	264,075
Omega Property, Ontario	5,233	-	5,879,503
Sackville, Ontario	9,132	125,640	1,190,760
General and other	1,073	-	114,723
Exploration and evaluation expenditures	\$ 15,811	\$ 128,295	\$ 8,566,751

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 and indicated resource tonnes were increased by 117% and contained ounces of gold by 34%. The global inferred and indicated resource tonnes were 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.

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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. The Company's geochemistry samples on this property was undertaken during 2010. After 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 NI43-101 report on the property which can be reviewed on www.sedar.ca or the company's website at www.mistangoriverresources.com.

During the six-month period ended June 30, 2018, the Company staked an additional 4 claims connected to its Sackville property.

Related Party Transactions

The due from related parties, which are due under normal trade terms, is comprised of the following:

	June 30, 2019	December 31, 2018
Due from RJK Explorations Ltd. for its share of salaries and other shared costs	\$ 244	\$ 3,053
Due from Mistango's C.O.O.	-	11,582
	\$ 244	\$ 14,635

RJK Explorations Ltd is a junior mineral exploration company listed on the TSX-Venture exchange whose C.E.O. was also Mistango's Vice-President of Exploration until his departure from the Company in July 2018. RJK Explorations Ltd.'s C.E.O. is a sibling to Mistango's C.E.O.

Key management includes the Company's directors, officers, and employees with the authority and responsibility for either directly or indirectly planning, directing and controlling the activities of the Company. Key management compensation and other related party transactions during the six months ended June 30, 2019 and 2018 are as follows:

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Related Party Transactions (Continued)

<i>Three months ended March 31,</i>	2019	2018
Short-term employee compensation		
included in exploration and evaluation expenditures	\$ -	\$ 84,580
C.O.O.'s salaries and benefits expense	44,603	-
Management fees for C.E.O.'s services	30,000	30,000
Commercial office rent expense	11,123	11,123
Consulting fees for current C.F.O.	10,000	
Consulting fees for former CFO's services	-	18,000
Share based compensation	-	35,000
Total compensation paid to key management	\$ 95,725	\$ 178,703

A corporate entity that is controlled by Mistango's CEO and director rents commercial office space to Mistango. The Company rents this office on a month-to-month basis.

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.

Due from Related Parties

The Company shared an administrative employee with a related company, RJK Explorations Ltd., until July 2018 when this employee was terminated. During the six months ended June 30, 2018 Mistango charged this related company \$20,250 for this employee's services on a cost recovery basis. As at June 30, 2019 this related company owed Mistango \$244 for miscellaneous shared costs.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2018, available on SEDAR at www.sedar.com.

"Robert J. Kasner"

President and Chief Executive Officer