FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
SHANE RESOURCES LTD.
FOR THE SIX MONTHS ENDED JUNE 30, 2019

This Management's Discussion and Analysis ("MD&A") covers the condensed interim financial statements of Shane Resources Ltd. (the "Company") as at June 30, 2019, and for the six months then ended (the "Financial Statements"). This MD&A should be read in conjunction with the audited annual financial statements and notes thereto for the years ended December 31, 2018 and 2017 (the "Annual Financial Statements"). The information contained in this report is current to August 28, 2019 and has not been reviewed by the Company's auditors.

The accompanying condensed interim 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 Annual Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Financial Statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A, and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.
Additional information related to the Company is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

DESCRIPTION OF BUSINESS AND OVERVIEW

On January 31, 2014, the shareholders, on a "majority of minority" basis, authorized the delisting of the Company's shares from the NEX board of the TSX Venture Exchange. Shareholders also approved the sale of substantially all of the assets of the Company and the winding up of the Company.

On June 20, 2014, the Company was dissolved.

On December 21, 2018 the Company was revived. On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order of its cease trade order dated June 11, 2014, which variation order: (i) authorized the Company to enter into a loan agreement with an arm's length lender in the amount of $10,000 which is convertible into 20,000,000 common shares of the Company at $0.0005 per share and 20,000,000 warrants of the Company at an exercise price of $0.002 per share; and (ii) authorized the Company to distribute common shares to raise a total of $62,000, of which the Company proposes to issue 46,226,875 common shares at $0.0005 per share and 19,443,285 common shares at $0.002 per share.

On May 9, 2019, the Securities Division of the Financial and Consumer Affairs Authority of Saskatchewan issued a variation order (the "variation order") to vary a cease trade order issued against the Company on June 11, 2014 (the "CTO"), which variation order was solely for the purpose of allowing the Company to enter into the loan agreement, the conversion of the loan and the private placement. The securities issued pursuant to the conversion of loan and the private placement are subject to the CTO. There is no guarantee that the CTO will be fully revoked and until such time as the CTO is fully revoked, the securities will remain subject to the CTO.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to the conversion of a loan in the amount of $10,000 advanced by Loomac Management Ltd. to the company, 20,000,000 units of the Company at a price of $0.0005 per unit. Each unit consists of one common share and one common share purchase warrant ("warrant"), each warrant entitling the holder to purchase one additional common share at an exercise price of $0.002 per share until May 27, 2024. The common shares, the warrants and the common shares issuable upon exercise of the warrants are subject to a statutory four-month holder period and the CTO.

On May 27, 2019, the Company announced that Loomac Management Ltd. acquired, pursuant to a private placement, beneficial ownership and control of 40,000,000 common shares at a price of $0.0005 per share. The common shares are subject to a statutory four-month holder period and the CTO.

As a result of the above transactions, Loomac Management Ltd. now beneficially owns and controls a total of 60,000,000 common shares which represents 69.37% of the issued common shares of the Company. If Loomac Management Ltd. exercises all the warrants, it would beneficially own 80,000,000 common shares of the Company, which would represent approximately 75.12% of the issued and outstanding common shares of the Company on a fully diluted basis.

On June 25, 2019, the Company has also closed the private placement where the Company issues (i) 6,226,875 common shares, at a subscription price of $0.0005 per common share; and (ii) 19,443,285 common shares, at a subscription price of $0.002 per common share. The common shares are subject to a statutory four month hold period and the CTO.

PERFORMANCE SUMMARY

There are no business activities during the current fiscal year.

RESULTS OF OPERATIONS

<u>For the three months ended June 30, 2019</u>

The following analysis of the Company's operating results in the three months ended June 30, 2019, includes a comparison against the previously completed three months ended June 30, 2018.

Revenue:

The company has no revenue, as there are no active business operations.

Expenses:

General and administration costs for the three months ended June 30, 2019 were $2,969 compared to $nil for the three months ended June 30, 2018. The increase in costs is reflective of the Company's regulatory filing fees and transfer fees in the current period.

Management and professional fees for the three months ended June 30, 2019 were $33,453 compared to $nil for the three months ended June 30, 2018. The increase in costs is reflective of the Company's directors, legal and audit fees in the current period.

Loss for the period
The net loss for the three months ended June 30, 2019 was $36,421 as compared to $nil, for the three months ended June 30, 2018. This represents an increase of net loss of $36,421 and is primarily due to the items discussed above.

<u>For the six months ended June 30, 2019</u>

The following analysis of the Company's operating results in the six months ended June 30, 2019, includes a comparison against the previously completed six months ended June 30, 2018.

Revenue:

The company has no revenue, as there are no active business operations.

Expenses:

General and administration costs for the six months ended June 30, 2019 were $3,469 compared to $nil for the six months ended June 30, 2018. The increase in costs is reflective of the Company's regulatory filing fees and transfer fees in the current period.

Management and professional fees for the six months ended June 30, 2019 were $34,879 compared to $nil for the six months ended June 30, 2018. The increase in costs is reflective of the Company's officers, directors, legal and audit fees in the current period.

Loss for the period

The net loss for the six months ended June 30, 2019 was $39,847 as compared to $nil, for the six months ended June 30, 2018. This represents an increase of net loss of $39,847 and is primarily due to the items discussed above.

SELECTED ANNUAL INFORMATION

	Year ended Dec. 31/18	Year ended Dec. 31/17	Year ended Dec. 31/16
Gain (loss) from other items	$ (12,500)	$ -	$ -
Net loss	$ 12,500	$ -	$ -
Basic & diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)
Total assets	$ 626	$ 626	$ 626

SUMMARY OF QUARTERLY RESULTS

The following quarterly financial data is derived from the annual audited financial statements of Shane Resources Ltd. for the three month periods ended on the dates indicated below. The information should be read in conjunction with the Company's annual audited financial statements and the accompanying notes thereto.

	Jun.30/19	Mar.31/19	Dec.31/18	Sept.30/18
Total assets	$ 62,478	$ 8,700	$ 626	$ 626
Working capital surplus (deficiency)	20,279	(15,300)	(11,874)	-
Shareholders' equity	20,279	(15,300)	(11,874)	626
Net loss	36,421	3,426	12,500	-
Loss per share	$0.001	$0.000	$0.000	$0.000

	Jun.30/18	Mar.31/18	Dec.31/17	Sept.30/17
Total assets	$ 626	$ 626	$ 626	$ 626
Working capital surplus (deficiency)	-	-	-	-
Shareholders' equity	626	626	626	626
Net loss (income)	-	-	-	-
Loss (earnings) per share	$0.000	$0.000	$0.000	$0.000

LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2019	December 31, 2018	December 31, 2017
Working capital (deficiency)	$20,279	$(11,874)	$ -
Deficit	(6,776,733)	(6,694,287)	(6,681,787)

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Company is not exposed to significant interest, currency, or credit risk arising from financial instruments

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing. If the Company is not successful in raising sufficient capital, the Company may have to curtail or otherwise limit its operations. From time to time the Company works to raise additional capital through private placements or other equity financing. See "Risk Factors" of this MD&A.

As of June 30, 2019, the Company had $59,622 in cash and $42,199 in current liabilities. The Company intends to raise capital by future financings. However, current market conditions make it difficult to raise funds by private placements of shares. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. These factors all cast doubt about the liquidity of the Company and its ability to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the Company.

CAPITAL STOCK

The authorized capital stock of the company is an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As at August 28, 2019, and June 30, 2019, the Company had 112,160,910 common shares outstanding with a value of $6,797,012.

Options

The Company has established a share-based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors and employees of the Company as well as persons providing ongoing services to the Company. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Unless otherwise determined by the board of directors of the Company (the "Board"), the exercise price of options equals the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term in accordance with TSX Venture Exchange policies.

The Company had no outstanding stock options of the Company as at August 28, 2019, and June 30, 2019.

Warrants

The Company had no outstanding share purchase warrants of the Company as at August 28, 2019 and June 30, 2019.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. 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:

	For the six months ended	
	June 30, 2019	June 30, 2018
Consulting and professional fees	$ 24,000	$ -
	$ 24,000	$ -

Other related parties

As at June 30, 2019, $24,000 (December 31, 2018, $7,500) was included in accounts payable due to the officers and directors of the Company.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount payable on the statement of financial position. The Company's other financial instrument, cash, is measured at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

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

The Company's cash is all held at large Canadian financial institutions in interest bearing accounts. The Company has no investment in asset-backed commercial paper.

The Company's receivables consist mainly of receivables from related companies and GST/HST receivable due from the government of Canada. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company as of June 30, 2019 has $59,622 in cash and has $42,199 in current liabilities. The Company intends to raise capital by future financings; however, the low price of the Company's common shares and current market conditions may make it difficult to raise funds by private placements of shares.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the fair value of its financial instruments is low, as the Company has no short-term investments included in cash and equivalents.

b) Foreign currency risk

As at June 30, 2019, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk.

RISK FACTORS

Financing

The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.