

LE MARE GOLD CORP.

(formerly Southern Lithium Corp.)

Management Discussion & Analysis (“MD&A”)

For the Year Ended December 31, 2018

Date of Report: April 30, 2019

The following management's discussion and analysis should be read together with the annual consolidated financial statements and accompanying notes for the year ended December 31, 2018 and related notes hereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This management discussion and analysis includes certain statements that may be deemed "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 the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Overall Performance

Nature of Business and Overall Performance

Le Mare Gold Corp. (formerly known as Southern Lithium Corp.) (the "Company") was incorporated in the province of British Columbia on March 9, 2010 as Signal Resources Inc. The Company is a resource exploration company that is acquiring and exploring mineral properties. After the name was changed to Southern Lithium Corp., on November 2, 2016, the Company commenced trading on the TSX Venture Exchange again under the symbol "SNL". On December 11, 2017, the Company reverse split its shares on the basis of one new share for every 10 old shares. After the name was changed to Le Mare Gold Corp., on February 2, 2018 the Company commenced trading as "LMGC" on the TSX Venture Exchange. An update on the properties is as follows.

Background

On March 11, 2018, the Company entered into an option agreement to acquire an undivided 100% interest in a mining property comprised of 12 map-staked claims covering 2,677.24 hectares (6,615.60 acres) in the Nanaimo Mining Division in British Columbia named, "the Le Mare Property".

The Le Mare Property is located on crown land in the southwestern part of the property area. The Mah-te-nicht No. 8 Indian Reserve is located adjacent with the northeastern property boundary, about 4.5 km (2.75 mi) north-northeast of, and in a different drainage from the Le Mare hydrothermal system. There is no plant or equipment, inventory, mine or mill structure on these claims. Currently, an environmental bond of \$4,000 is posted under Permit No. MX-8-253 for road renovation, the development of potential drill sites and diamond drilling. The Le Mare Property is located near the northwestern end of Vancouver Island. It is bounded in part to the west by the Pacific Ocean and to the north by Quatsino Sound. A massif in the northwestern part of the property culminates in the peak of Mount Bury at an elevation of about 610 m (2,000 ft.). Another massif that hosts the Le Mare Property hydrothermal system occupies the property's southwestern part. Le Mare Peak is a 762-m (2,500-ft) high promontory located near the massif's centre. These steep-sided massifs are separated by the relatively flat Mahatta and Culleet creek valleys. The

surface of Le Mare Lake, located in the Culleet Creek valley near the property centre, is at an elevation of about 25 m (82 ft.). About 85% of the original west-coast rain forest in the property-area has been clear-cut during the past 40 years. Most of the slopes underlain by the Le Mare Property are either bare, or covered with dense juvenile secondary forest growth.

The northern end of Vancouver Island is accessible by boat, barge, and by road via the Island Highway (B.C. Highway 19) which transects the town of Port McNeill on the island's northeastern coast. B.C. Highway 25, a secondary paved road, connects Port McNeill with Port Alice located near the head of Neroutsos Inlet. Access from Port Alice to the Le Mare Property area is via a series of well-maintained logging roads passable by 2-wheel drive vehicles during most times of the year.

The Le Mare Property hosts mostly mafic volcanic rocks of the Early to Middle Jurassic-age Bonanza Supergroup, including auto-breccias, lahars, and minor amounts of tuff and other pyroclastic beds. Rhyolitic rocks comprise a major amount of the stratigraphy in the property area. These volcanic rocks are intruded by felsic dykes that may be equivalent to the rhyodacitic porphyries that are associated with mineralization at the Island Copper Cluster deposits located about 32 km (19.3mi) east-northeast of the Le Mare hydrothermal system. The volcanic rocks at the Le Mare hydrothermal system have deformed into a series of open to close outcrop-scale drape-folds related to local intrusion. Regional and contact metamorphism do not exceed lower the greenschist facies. The Le Mare Property appears to have been only relatively shallow unroofing by erosion. The top of the potassic alteration zone is exposed along the crests of Le Mare and Gooding ridges, located between Le Mare Lake and Gooding Cove in the southwestern part of the property. Local magnetic field gradient indicates that this system occupies a 5 X 3 km (3.05 X 1.83 mi) or 15 sq.km (5.6 sq. mi) oval-shaped area that may be hosted by a dilational jog in a regional right lateral fault system.

The proposed fault system is similar to the one that hosts the Island Copper Cluster deposits near Port McNeill and Port Hardy, British Columbia. At surface, copper mineralization occurs in discrete showings-areas, located preferentially in the central parts of sub-vertical hydrothermal plumes. These plumes have core-zones of orthoclase-quartz-biotite (potassic) alteration, enveloped in siliceous exteriors. Orthoclase- 3 quartz-biotite alteration is succeeded by quartz-jasper alteration; both phases are mineralized with chalcopyrite, and minor amounts of bornite. This potassic alteration is accompanied by coincident soil-copper and magnetic anomalies. Discovering economically viable concentrations of copper mineralization within the Le Mare Property hydrothermal system depends on the successful identification of zones where these hydrothermal plumes and copper occurrences coincide. Molybdenum enrichment occurs in areas flanking phyllic alteration in a 600-m (1,968.5-ft) diameter alteration plume, covering a 0.28 km² (0.1 mi²) area in the eastern part of system in the South Gossan zone. Another, much less extensive plume of argillic-phyllic alteration is exposed between the Culleet Creek zone and Culleet Lake in the system's northwestern part. These two plumes cover less than 2% of the total exposure area of the Le Mare Property hydrothermal system. Argillic-phyllic alteration post-dates and overprints potassic alteration.

Both sample results and the distribution of soil-copper and molybdenum anomalies; demonstrate that copper and molybdenum mineralization are associated with early potassic and subsequent argillic-phyllic-alteration events respectively. They occur together in significant amounts only where molybdenum enrichment has overprinted that of copper. Highly anomalous gold values were discovered in the central part of the Le Mare Property mostly west and southwest of the New Destiny Showing in soil samples. Values range up to 947ppb gold on Claim 657343. Most aspects of the Le Mare Property are similar with those of the Island Copper Cluster deposits. Geology, alteration, and mineralization at surface at the Le Mare hydrothermal system correspond with those attributes at the Island Copper mine above the main deposit. These similarities indicate that the Le Mare hydrothermal system may host a calc-alkalic porphyry copper-molybdenum deposit of the Island Copper Cluster type.

The Early Jurassic-age land surface above the Le Mare hydrothermal system and whatever near surface hot-spring environment that it may have hosted, has been lost to erosion. Only a few narrow faults controlled, advanced argillic alteration occur in the argillic-phyllitic alteration plume in the South Gossan zone. They attest to the former existence of acid leaching with the alteration system. Most exploration has been conducted in the northeastern part of the Le Mare Property; its southeastern part remains sparsely explored to unexplored.

Six BQ diamond drill holes penetrated the northeastern margin of the Le Mare system in 1992. One hole that penetrated the Culleet Creek potassic alteration plume intersected five 2-m (6.56-ft) and one 4.7-m (15.42- ft) long intersections containing from 500 to 959 ppm copper, which is similar to the tenor of copper mineralization in nearby trenches. Copper mineralization at surface is locally quite variable. Such variability should be expected in mineralization located near the top of the potassic alteration zone of a porphyry copper-molybdenum deposit. Less than 1% of the surface area of the Le Mare hydrothermal system has been drilled. Trenching in 2011, followed by continuous 3m wide chip sampling on the New Destiny Copper Showing returned a 180m continuous copper values averaging 0.28% Copper.

Under the terms of the agreement, Le Mare Gold has issued 5,000,000 common shares and has paid \$50,000 to the Vendor. In addition, the Company agreed to pay an additional \$200,000 and incur at least \$100,000 in exploration expenditures on the property on or before March 11, 2022. The option or retains a 3% net smelter return (“NSR”) royalty on the property. The Company may purchase one-half other NSR royalty by paying the Optionor \$1,500,000. The prescribed initial 2 Phase work program and budget is set out below. Phase work program and budget is set out below.

Phase 1	Actual Cost	Phase 2	Estimated Cost
Geological mapping	\$16,756	Induced Polarization	\$60,000
Diamond Drilling	\$48,418	Diamond Drilling	\$250,000
Labour and equipment and camp costs	\$133,469	Contingency	\$30,000
Total	\$198,643	Total	\$340,000

Total Phase One and Phase Two \$538,643

The 2018 diamond drill program consisted of two holes:

Hole #	Northing	Easting	Dip	Aximuth	Length	Elevation
LLG-18-01	5585096	576750	55 degree	240 degree	188.98m	404m
LLG-19-02-19-02	5584887	570677	55 degree	290 degree	115.83m	414m

As discussed, previous (2010-2015) exploration surveys defined copper-gold bearing anomalous targets, which the two-hole drill program was warranted. A Hydrocore type drill was utilized with NQ size drill rods.

- LLG-18-01 is located on a logging road, exposed basaltic volcanic rocks hosting structurally controlled copper mineralization. Mineralization is occasionally observed associated with narrow breccia lenses where chalcopyrite and pyrite tend to be more concentrated. Chalcopyrite is disseminated in volcanic rocks adjacent to shearfault structures. Samples from the core were only slightly geochemically anomalous.
- LLG -19-02 is located on a logging road, was designed to test a goldcopper in-soil anomaly. The target was situated down from the anomaly and was orientated to test the bedrock underlying the anomaly. A 7.3m interval in Hole LLG 1902 from 15.0m to 22.3m assayed a weighted average of 751ppm copper.

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The Le Mare hydrothermal system appears to have been only relatively shallow unroofing by erosion. The top of the potassic alteration zone is exposed along the crests of Le Mare and Gooding ridges, located between Le Mare Lake and Gooding Cove in the southwestern part of the property. Local magnetic field gradient indicates that this system occupies a 5 X 3 km (3.05 X 1.83 mi) or 15km² (5.6 mi²) oval-shaped area, that may be hosted by a dilational jog in a regional right-lateral fault system. The proposed fault system is similar to the one that hosts the Island Copper Cluster deposits near Port McNeill and Port Hardy, British Columbia.

At surface, copper mineralization occurs in discrete showings-areas, located preferentially in the central parts of sub-vertical hydrothermal plumes. These plumes have core-zones of orthoclase-quartz-biotite (potassic) alteration, enveloped in siliceous exteriors. Orthoclase-quartz-biotite alteration is succeeded by quartz-jasper alteration; both phases are mineralized with chalcopyrite, and minor amounts of bornite. This potassic alteration is accompanied by co-incident soil-copper and magnetic anomalies. Discovering economically viable concentrations of copper mineralization within the Le Mare hydrothermal system depends on the successful identification of zones where these hydrothermal plumes and copper occurrences coincide.

Highly anomalous gold values were discovered in the central part of the Le Mare hydrothermal system mostly west and southwest of the New Destiny Showing in soil samples. Values range up to 947ppb gold in soil on Claim 657343. The New Destiny showing was trenched with a tracked excavator and returned >0.2% copper over 200 metres. Most exploration has been conducted in the northeastern part of the Le Mare hydrothermal system; its southeastern part remains sparsely explored to unexplored. Six BQ diamond drill holes penetrated the northeastern margin of the Le Mare system in 1992. One hole that penetrated the Culleet Creek potassic alteration plume intersected five 2-m (6.56-ft) and one 4.7-m (15.42-ft) long intersections containing from 500 to 959 ppm copper, which is similar to the tenor of copper mineralization in nearby trenches. Copper mineralization at surface is locally quite variable. Such variability should be expected in mineralization located near the top of the potassic alteration zone of a porphyry copper-molybdenum deposit. Less than 1% of the surface area of the Le Mare hydrothermal system has been drilled.

All assays were completed by ALS Global Labs, a certified laboratory. Standards were inserted at regular intervals in the sample stream.

The Company has entered into private placement agreements to issue 1,334,334 flow through units (“FT Units”) and 4,554,207 units (“NFT Units”) raising \$883,131. Each unit was issued for \$0.15 and consisted of one share and one share purchase warrant which is exercisable at \$0.20 for two years. The transaction and associated financing is subject to the approval of the TSX Venture Exchange.

Investment in Cruz Property – Argentina

On November 2, 2016, the Company entered into a letter of intent (the “LOI”) with Proyecto Pastos Grandes S.A. (“PPG SA”), a wholly owned subsidiary of Millennial Lithium (TSX-V: ML), to be granted an option to acquire an eighty percent (80%) interest in the PPG SA’s Cruz property in the Pósitos salar basin in Salta Province, Argentina. This LOI became a Definitive Agreement by November 10, 2016.

For the Company to acquire a 70% interest in the Cruz Property, the Company paid: a) pay a non-refundable deposit of US\$150,000 to PPG SA. b) additional US\$50,000 non-refundable deposit to PPG SA upon the execution of the Definitive Agreement. c) Issued to PPG SA or Millennial US\$100,000 worth of common shares of Le Mare Gold Corp. d) the sum of US\$500,000 (the “Exploration Funds”). e) Make US\$500,000 of exploration expenditures (the “Exploration Expenditures”) on or before October 1, 2017, subsequently extended to October 12, 2017. As the drilling results from the Exploration Expenditures were not indicative of an economic resource the payment to PPG SA the sum of US\$1,000,000 on or before October 12, 2017 was not made, and the option on the Cruz property has expired. The Company has no remaining interest in the Cruz property.

Investment in East Fault Property, Nevada

On July 8, 2016, the Company entered into a Letter of Intent (the “LOI”) to acquire a 100% undivided interest in the 2,100-acre East Fault Property, located in Esmeralda County, Nevada (the “Property”) from Ty & Sons Exploration (Nevada) Inc. The option of this property is subject to TSX approval. To date the Company has invested US\$50,000 (\$66,010) as a non-refundable deposit on the property. If approved by the TSX, the Company will have to invest an additional US\$125,000 over the next year and issue 3.3 million shares.

The Property is subject to a 2.5% NSR. The Company has commissioned a NI51-101 on the Property. The Property is a 2,100-acre property which adjoins Pure Energy’s eastern border of their Clayton Valley property which has an inferred resource of 816,000 metric tonnes of lithium carbonate equivalent. The property is in the Esmeralda County area of Nevada, USA The Property includes eleven kilometers (7 miles) of the East Fault, 3.5 kilometers (2.2 miles) of the E-2 Fault, and eight kilometers (5 miles) of the (projected) 1,000-meter bedrock depth gravity contour (See Pure Energy NI 43-101 Technical Report, July 17, 2015). According to the 1986 paper titled “Origin of the Lithium-Rich Brine, Clayton Valley, Nevada” by Joseph R. Davis, et al, the “highest lithium concentrations are found in brines produced from the tuff where it abuts the faults and forms a structural trap for the dense brines.” The report goes on to state that the most lithium-enriched brines lie near the bounding fault on the eastern side of the basin. Although gravity surveys have not yet been performed over most of the property area, projection from an available gravity survey covering the adjacent Pure Energy property and part of the Property indicate that the lithium beds may extend to the East Fault.

On January 17, 2017, the Company entered into a formal Definitive agreement ("Agreement") with TY & Sons Explorations (Nevada) Inc. ("TY & Sons" or the "Optionor"), to complete Le Mare's acquisition of TY & Sons option (the "Option") of the 100% interest in TY & Sons' rights, title and interest in the mineral claims known as the East Fault Property, located in Esmeralda County, Nevada, USA (the "Property"). Under the terms of the agreements, the Option will be exercisable by the Company making cash payments and by way of common shares in the capital of the Company, the Company paid \$50,000 and 3,300,000 Shares. The property is subject to a two-and-one-half percent (2.5%) net smelter returns royalty on commercial production from the Mineral Claims (the "Underlying Royalty") in favour of the Property Owner.

On August 31, 2017, the Company declined to pay the lease costs on the property. Consequently, the Company expensed its investment in East Fault of \$816,000 as Impairment of exploration and evaluation.

Highlights

February 2, 2018, the Company announced the changing of its name from Southern Lithium Corp. to Le Mare Gold Corp.

March 11, 2018, the Company entered into an option agreement to acquire an undivided 100% interest in a mining property comprised of 12 map-staked claims covering 2,677.24 hectares (6,615.60 acres) in the Nanaimo Mining Division in British Columbia named, "the Le Mare Property".

The Le Mare Property is located on crown land in the southwestern part of the property area. The Mah-te-nicht No. 8 Indian Reserve is located adjacent with the northeastern property boundary, about 4.5 km (2.75 mi) north-northeast of, and in a different drainage from the Le Mare hydrothermal system. There is no plant or equipment, inventory, mine or mill structure on these claims. Currently, an environmental bond of \$4,000 is posted under Permit No. MX-8-253 for road renovation, the development of potential drill sites and diamond drilling. The Le Mare Property is located near the northwestern end of Vancouver Island. It is bounded in part to the west by the Pacific Ocean and to the north by Quatsino Sound. A massif in the northwestern part of the property culminates in the peak of Mount Bury at an elevation of about 610 m (2,000 ft.). Another massif that hosts the Le Mare Property hydrothermal system occupies the property's southwestern part. Le Mare Peak is a 762-m (2,500-ft) high promontory located near the massif's centre. These steep-sided massifs are separated by the relatively flat Mahatta and Culleet creek valleys. The surface of Le Mare Lake, located in the Culleet Creek valley near the property centre, is at an elevation of about 25 m (82 ft.). About 85% of the original west-coast rain forest in the property-area has been clear-cut during the past 40 years. Most of the slopes underlain by the Le Mare Property are either bare, or covered with dense juvenile secondary forest growth. Little timber suitable for mining is left on the property.

Under the terms of the agreement, Le Mare Gold will issue 5,000,000 common shares and pay \$50,000 to the Vendor. In addition, the Company agreed to pay an additional \$200,000 and incur at least \$100,000 in exploration expenditures on the property on or before March 11, 2022. The optionor retains a 3% net smelter return ("NSR") royalty on the property. The Company may purchase one-half of the NSR royalty by paying the optionor \$1,500,000.

November 9, 2018, the Company entered into private placement agreements to issue 1,334,334 flow through units ("FT Units") and 4,554,207 units ("NFT Units") raising \$883,281. Each unit was issued for \$0.15 and consisted of one share and one share purchase warrant which is exercisable at \$0.20 for two

years. The Company has the right to accelerate the expiry of the warrants comprised under the NFT Units should the closing price of its common shares exceed \$0.50 per share for a period of 10 consecutive trading days. In such event, the Issuer may within five days, provide notice by way of news release of early expiry, in which event the Warrants will expire 30 days from the date of such news release (the “Acceleration Clause”).

December 31, 2018 the Company closed on a private placement financing and the aforementioned Le Mare Property acquisition. Under the terms of the Property Acquisition the Company issued 5,000,000 common shares to the vendors. In addition, the company issued 6,380,216 units (“Units”) at \$0.15 per Unit which raised \$957,032.35 for the Company. Of the Units being issued 1,333,334 are flow through Units (“FTU”), whereby the tax benefits otherwise attributable to the Company will flow directly to the investors of the Units, and 5,046,882 are non-flow through Units (“NFTU”).

Each Unit consists of one (1) common share (“Common Share”) of the Company and one (1) non-transferable share purchase warrant (“Warrant”) which is exercisable at \$0.20 for a period of twenty-four (24) months. In the event that the Company’s common shares trade at a closing price greater than \$0.50 for a period of 10 consecutive trading days at any time after the closing date, the Company may accelerate the expiry date of the 5,046,882 NFTU Warrants by giving written notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date hereafter referred to as the “Forced Conversion Feature” on which such notice is given by the Company. All securities issued in the financing will be subject to a statutory hold period expiring four months and one day after the closing of this financing.

Selected Annual Information

The following financial data are selected information for the Company for the three most recently completed financial years:

	December 31, 2018	December 31, 2017	December 31, 2016
	\$	\$	\$
Total revenue	-	-	-
Net loss for year	(1,425,033)	(5,816,069)	(922,722)
Net loss per share, basic and diluted	(0.23)	(1.19)	(0.30)
Total assets	1,209,810	242,424	1,181,734
Total Long Term Liabilities	-	-	-
Cash paid dividends per share	-	-	-

Summary of Quarterly Results

The following table sets out selected quarterly information for each of the Company's most recent eight completed quarters.

	Revenues	Net loss	Net loss per share (basic and diluted)
	\$	\$	\$
March 31, 2017	-	(592,236)	(0.19)
June 30, 2017	-	(767,907)	(0.19)
September 30, 2017	-	(4,215,166)	(0.14)
December 31, 2017	-	(240,760)	(0.04)
March 31, 2018	-	(219,250)	(0.04)
June 30, 2018	-	(438,184)	(0.07)
September 30, 2018	-	(299,163)	(0.05)
December 31, 2018	-	(523,129)	(0.07)

Results of Operations

Comparison of results of operations of the year ended December 31, 2018 and 2017.

	Year ended December 31, 2018 \$	Year ended December 31, 2017 \$
Expenses		
Consulting fees (Note 5)	218,000	827,268
General and administrative	19,070	29,561
Investor relations	37,428	1,118,535
Impairment of exploration and evaluation assets (Note 3)	-	2,251,379
Management fees (Note 5)	302,597	222,445
Professional fees	76,880	109,774
Rent	119,000	100,500
Share-based compensation (Note 7)	398,361	935,334
Transfer agent and filing fees	23,430	25,812
Travel	179,466	166,166
Total expenses	1,374,232	5,786,774

During the year ended December 31, 2018, the Company had a net loss of \$1,425,033 compared to \$5,816,069 for the year ended December 31, 2017. The \$4,391,036 decrease in net loss was mainly due to the impairment of \$2,251,379 in 2017; reduced investor relations activities from \$1,118,535 to \$37,428 in 2018; reduced consulting fees of \$609,268; increased management fees of \$80,152 for fees to the CEO, CFO and directors; and decreased share-based compensation of \$536,973 for share based compensation granted.

Liquidity and Capital Resources

As at December 31, 2018, the Company has a working capital deficit of \$302,226 (2017 \$62,443).

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company requires additional working capital to meet its primary business objectives over the next 12 months.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the funding through future equity issuances and through short term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

The Company will issue up to 11,000,000 units (each a "Unit") at a purchase price of \$0.055 per Unit, for total gross proceeds of up to \$605,000. Each Unit will consist of one common share of the Company and one transferrable share purchase warrant (a "Warrant").

Each Warrant will entitle the holder to acquire one additional common share at an exercise price of \$0.50 for a period of 12 months from the closing of the Private Placement, subject to accelerated expiry.

All securities issued pursuant to the Private Placement will be subject to a hold period expiring six months after closing. If at any time after six months following the closing, the closing price of the Company's common shares is at or above \$1.00 per share for ten consecutive days, the Company may provide notice to the warrant holders that the expiry date of the warrants has been accelerated and that warrants not exercised within 30 days will expire.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

- (a) As at December 31, 2018, the amount of \$21,094 (2017 - \$nil) is owed to the Chief Executive Officer of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities. During the year ended December 31, 2018, the Company incurred management fees of \$180,000 (2017 - \$nil) to the Chief Executive Officer of the Company.
- (b) As at December 31, 2018, the amount of \$87,060 (2017 - \$nil) is owed to a director of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities.
- (c) As at December 31, 2018, the amount of \$51,005 (2017 - \$16,321) is owed to a company controlled by the Chief Financial Officer of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities. During the year ended December 31, 2018, the Company incurred management fees of \$120,000 (2017 -

\$120,000) to a company controlled by the Chief Financial Officer of the Company.

- (d) As at December 31, 2018, the amount of \$nil (2017 - \$15,750) is owed to a former director of the Company, which is unsecured, non-interest bearing, and due on demand. The amount is included in accounts payable and accrued liabilities. During the year ended December 31, 2018, the Company incurred management fees of \$nil (2017 - \$78,200) to this former director.
- (e) During the year ended December 31, 2018, the Company incurred management fees of \$nil (2017 - \$11,745) to a company controlled by the former President of the Company.
- (f) During the year ended December 31, 2018, the Company incurred management fees of \$nil (2017 - \$12,500) and consulting fees of \$nil (2017 - \$12,500) to a former director of the Company.
- (g) During the year ended December 31, 2018, the Company incurred consulting fees of \$90,000 (2017 - \$nil) to a company controlled by the spouse of the Chief Financial Officer of the Company.
- (h) During the year ended December 31, 2018, the Company granted nil (2017 - 220,000) stock options with a fair value of \$nil (2017 - \$269,512) to officers and directors of the Company.
- (i) On December 31, 2018, the Company issued 333,333 flow-through units at \$0.15 per unit for proceeds of \$50,000 to a director of the Company.
- (j) On December 31, 2018, the Company issued 954,208 units at \$0.15 per unit for proceeds of \$143,131 to the Chief Executive Officer of the Company, which included 666,667 flow-through units.
- (k) On December 31, 2018, the Company issued 666,666 units at \$0.15 per unit for proceeds of \$100,000 to a company controlled by the Chief Executive Officer of the Company.
- (l) On February 16, 2019, the Company granted 100,000 stock options with a fair value of \$15,595 to a company controlled by the spouse of the Chief Financial Officer of the Company. The stock options were exercised for proceeds of \$22,500.

Changes in Accounting Policies

Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2018 and have not been applied in preparing these financial statements.

New standard IFRS 16, "Leases"

The Company has not early adopted these new and revised standards and is currently assessing the impact that these standards will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Instruments and Risks

The Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities, and loans payable.

The Company's financial instruments are exposed to the following risks:

Credit risk

The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

Fair value

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.

Additional Disclosure for Venture Issuers without Significant Revenue

An analysis of material components of the Company's general and administrative expenses is disclosed in the consolidated financial statements for the year ended December 31, 2018 to which this MD&A relates.

An analysis of material components of the Company's exploration and evaluation assets is disclosed in the consolidated financial statements for the year ended December 31, 2018 to which this MD&A relates.

Outstanding Share Data

As at April 30, 2019, the Company had 17,643,616 common shares issued and outstanding.

As at April 30, 2019, the Company had 6,380,216 share purchase warrants exercisable at \$0.20 per share expiring on December 31, 2020 outstanding.

As at April 30, 2019, the Company had no stock options outstanding.

Subsequent events

February 19, 2019 The Company announced the results of a two-hole drill program on the Le Mare Property as discussed above.

February 21, 2019. The Company announced the appointment of David Greenway as President and CEO of the Company replacing Yari Nieken who remains as a director; the appointment of Mr. Bryson Goodwin to the Board of Directors, the appointment of Kelly Pladson as Corporate Secretary; and the resignation of David Alexander as CFO of the Company.

Mr. Goodwin is a practiced international executive with extensive experience in finance, sales, management, investor relations and operations with both private and public companies. His experience has demonstrated an operational, market and banking track record in the technology, biotechnology, oil/gas and resource sectors. Over the course of his career, he has fostered an extensive high-profile international association of contacts and close relationships through networking and proficient communication skills. He has been engaged by a number of resource, energy, clean tech and technology firms in the departments of finance, business development, public and investor relations, marketing, and sales. This has required extensive travel and flexibility in approach to business. Most recently he has held C-level executive positions in a banking and finance capacity. He joins the company with experience in the systems governing Canadian and U.S. stock exchanges, as well as public company management, predominantly in the resource and energy sectors. Mr. Goodwin also sits on the board of a number of public and private companies.

Ms. Pladson has acted as Corporate Secretary and provided corporate governance and regulatory compliance services to many TSX Venture and CSE listed companies since 2009. She works closely with the company's CEO and legal counsel in maintaining corporate records, managing the day to day operations of the company and ensuring the company's filings with the securities commissions and exchanges are accurately filed and in accordance with their deadlines.

March 21, 2019 Mr. Bryson Goodwin assumed the role of President and CEO from Mr. David Greenway who remains as a director.

April 4, 2019 Ms. Natasha Sever has agreed to assume the role of Chief Financial Officer for the Company. Ms. Sever is a CPA designated in both Canada and Australia with a BCom from Edith Cowan University.

She joins the Company with more than 10 years' experience in senior finance roles over a wide range of industries including mining, retail and technology. Ms. Sever has held officer positions at a number of publicly listed companies in both Canada and Australia and has a proven record of working in alignment with, and to the benefit of the Board and associated stakeholders. Her extensive experience with company financings as well as TSX & ASX regulatory compliance will serve to ensure the Company manages its affairs in a transparent and proper fashion.

April 23, 2019, the Company announced a private placement offering whereby the Company will issue up to 11,000,000 units (each a "Unit") at a purchase price of \$0.055 per Unit, for total gross proceeds of up to \$605,000. Each Unit will consist of one common share of the Company and one transferrable share purchase warrant (a "Warrant").

Each Warrant will entitle the holder to acquire one additional common share at an exercise price of \$0.50 for a period of 12 months from the closing of the Private Placement, subject to accelerated expiry.

All securities issued pursuant to the Private Placement will be subject to a hold period expiring six months after closing. If at any time after six months following the closing, the closing price of the Company's common shares is at or above \$1.00 per share for ten consecutive days, the Company may provide notice to the warrant holders that the expiry date of the warrants has been accelerated and that warrants not exercised within 30 days will expire.

The Company will use the proceeds from the Private Placement towards seeking future acquisitions and general working capital purposes. The Private placement is subject to TSX Venture Exchange (the "Exchange") approval. There may be finder's fees payable in accordance with the policies of the Exchange.