

LE MARE GOLD CORP.

(formerly Southern Lithium Corp.)

Management Discussion & Analysis (“MD&A”)

For the Six Months Ended June 30, 2019 and 2018

Date of Report: August 27, 2019

The following management's discussion and analysis should be read together with the audited annual 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. Little timber suitable for mining is left on the property.

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-phyllitic 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-phyllitic 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-phyllitic-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 fault controlled, advanced argillic alteration occur in the argillic-phyllic alteration plume in the South Gossan zone. They attest to the former existence of acid leaching with 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 fault controlled, advanced argillic alteration occur in the argillic-phyllic 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	5584887	570677	55 degree	290 degree	115.83m	414m
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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 tends 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.

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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.

Highlights

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.

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.

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.

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)
	\$	\$	\$
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	-	(383,491)	(0.06)
September 30, 2018	-	(299,163)	(0.05)
December 31, 2018	-	(523,129)	(0.07)
March 31, 2019	-	(128,558)	(0.01)
June 30, 2019	-	(120,780)	(0.01)

Results of Operations

Comparison of results of operations of the three and six months ended June 30, 2019 and 2018.

	Three months ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Expenses				
Consulting fees	(4,000)	3,000	22,571	47,000
General and administrative	261	2,992	3,492	6,756
Investor and awareness	6,778	19,900	37,924	48,883
Management fees	85,500	165,000	112,500	202,000
Professional fees	15,739	25,211	25,445	33,727
Rent	11,200	45,000	26,200	79,000
Share-based compensation	-	293	-	58,843
Transfer agent and filing fees	3,535	8,007	15,252	11,510
Travel expenses	9,015	108,816	13,104	109,589
Total expenses	128,028	378,219	256,488	597,308

During the six months ended June 30, 2019, the Company had a net loss of \$249,338 compared to \$602,741 for the six months ended June 30, 2018. The \$353,403 decrease in net loss was mainly due to a reduction in share-based compensation due to no outstanding options; reduced rent from \$79,000 to \$26,200; reduced travel expenses of \$96,485, and reduced management fees of \$89,500.

Liquidity and Capital Resources

As at June 30, 2019, the Company has a working capital deficit of \$551,564 (2018 \$302,226).

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

	June 30, 2019		June 30, 2018	
Management fees - CEO	\$	30,000	\$	120,000
Management fees - CFO	\$	7,500	\$	-
Management fees - CFO (former)	\$	15,000	\$	60,000
Management fees - Director	\$	60,000	\$	-

Due to (from) related parties	June 30, 2019		December 31, 2018	
	\$	387,564	\$	159,159

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 annual period beginning January 1, 2019 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 financial statements for the three and six months ended June 30, 2019 to which this MD&A relates. An analysis of material components of the Company's exploration and evaluation assets is disclosed in the financial statements for the year ended December 31, 2018 to which this MD&A relates.

Outstanding Share Data

As at August 27, 2019, the Company had 17,643,616 common shares issued and outstanding.

As at August 27, 2019, the Company had 6,380,216 share purchase warrants outstanding.

Number of warrants outstanding	Exercise price \$	Expiry date
6,380,216	0.20	December 31, 2020
<u>6,380,216</u>		

As at August 27, 2019, the Company had no stock options outstanding.

Subsequent events

July 8, 2019 The Company announced the signing of a non-binding letter of intent by which Le Mare would invest and benefit through a contract cultivation agreement with Elite Ventures Group LLC. On **July 25, 2019**, the Company announced that the non-binding letter of intent, had been terminated. Both parties have agreed that a mutually beneficial agreement was not reachable at this time.

August 16, 2019 The Company announced the appointment of Mr. Philip Kwong to its board of directors. Philip Kwong has managed and founded numerous private enterprises since 2010. He has worked across a variety of emerging industries which include mobile technology and creating multi-vendor mobile digital marketplaces. A diagnosis of multiple sclerosis in his early twenties subsequently launched his career in

the cannabis sector. Mr. Kwong founded, and is CEO of, 3 Carbon Extractions Inc., a company based in Vancouver, BC, Canada, creating an industry solution for compliant and safe extraction solutions. Through 3 Carbon, he has entered into an exclusive Canadian market agreement with US company, ExtractionTek Solutions, based in Denver, Colorado. The Company has accepted the resignation of Mr. David Greenway as a Director. The Company thanks Mr. Greenway for his contributions and wishes him the best in his future endeavours.