LEGION METALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended September 30, 2017

Dated October 19, 2017

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Introduction

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations of Legion Metals Corp. (the "**Company**" or "**Legion**") should be read in conjunction with the unaudited interim financial statements of the Company for the six months ended September 30, 2017 and the related notes contained therein. The interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the IASB. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company and its activities can be found on SEDAR at www.sedar.com.

This MD&A is current as at October 19, 2017.

This MD&A contains forward-looking statements and forward-looking information as further described under "Forward-Looking Statements and Forward-Looking Information" at the end of this MD&A. Please also refer to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section below.

The Company

The Company was incorporated under the *Business Corporations Act* (British Columbia) on December 8, 2016 under the name "1099582 B.C. Ltd.". The Company changed its name to "Legion Metals Corp." on March 28, 2017. The Company's registered and records office is located at #600 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. The Company has no subsidiaries and does not hold securities in any corporation, partnership, trust or other corporate entity. The Company is currently engaged in the business of mineral exploration in Nova Scotia, Canada, and was extra-provincially registered in the Province of Nova Scotia on April 11, 2017.

The Company is the registered holder of exploration licence 10577 (the "**Licence**") in the Province of Nova Scotia. The Licence is comprised of 80 mineral claims covering approximately 1,280 hectares known as the Millen Mountain Property (the "**Property**" or the "**Millen Mountain Property**"). A geological report (the "**Technical Report**") prepared by Mark Graves, P. Geo., who is a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), was completed in relation to the Property on August 2, 2017.

On April 10, 2017, the Company entered into a property option agreement with Probe Metals Inc. ("**Probe**") pursuant to which the Company granted to Probe an exclusive, irrevocable right and option to acquire a 50% interest in the Property by incurring exploration expenditures of $250,000 on the Property on or before November 9, 2018 (which option period includes a 30 day default notice period). The Company and Probe entered into an amended and restated option agreement on October 3, 2017 (the "**Option Agreement**"), under which they agreed that upon successfully earning a 50% interest in the Property, Probe will have the right to earn an additional 25% interest in the Property (for an aggregate 75% interest) by incurring an additional $250,000 in exploration expenditures (for an aggregate of $500,000 in exploration expenditures) by October 2019.

Under the Option Agreement, Probe may make the expenditures on a "make or pay" basis, meaning that Probe may either make the required expenditures on the Property or pay the Company cash for any shortfall of such expenditures. Probe will be the operator with overall responsibilities for the operations on the Property during the term of the Option Agreement. Upon successful exercise of the option by Probe, the Company and Probe will form a joint venture pursuant to a joint venture agreement which will be based on the joint venture terms set out in the Option Agreement. Probe will be the operator under the joint venture for so long as it holds at least a 50% interest in the Property. The joint venture terms provide that: a party that doesn't participate in joint venture expenditures will have its interest in the Property reduced accordingly; and if a party's interest in the Property is reduced to 10%, the joint venture will terminate, the participating party will receive a 100% interest in the Property and the non-participating party will receive a 2% net smelter royalty ("**NSR**") in the Property.

On September 14, 2017, the Company completed its initial public offering of shares (the "**Offering**") pursuant to a final prospectus (the "**Prospectus**") filed with the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission and listed its shares on the Canadian Securities Exchange under the stock symbol "LEGN". Under the Offering, the Company issued an aggregate of 4,039,600 shares at a price of $0.10 per share for gross proceeds of $403,960. The Offering is further described in the Company's press release dated September 14, 2017. The Prospectus and the press release is available under the Company's issuer profile on SEDAR at www.sedar.com.

Overall Performance

The key factors pertaining to the Company's overall performance for the period ended September 30, 2017 are as follows:

- The Company had working capital of $383,581 as at September 30, 2017, as compared to working capital of $108,946 as at March 31, 2017. The increase was mainly due to the closing of the Offering described under "The Company", above.

- The Company incurred a net loss of $66,811 for the six months ended September 30, 2017, as compared to a net loss of $15,554 for the period from incorporation to March 31, 2017. The net loss is mostly attributable to expenses related to the Offering described under "The Company", above.

Selected Annual Information

The following table sets forth summary financial information for the Company for the period from incorporation on December 8, 2016, to March 31, 2017. This information has been summarized from the Company's audited financial statements for the same period and should only be read in conjunction with the Company's audited financial statements, including the notes thereto, which are included in the Prospectus.

	Period from Incorporation to March 31, 2017
Mineral properties	$0
Total assets	$123,866
Total revenues	$0
Long-term debt	$0
Property investigation fee	$2,500 (1)
General and administrative expenses	$13,054
Net loss	$15,554
Basic and diluted loss per share (2)	$0.28

(1) Total exploration expenditures on the Property by Beja Resources Inc. ("**Beja**") were $129,414.13. The Company acquired the rights to these exploration expenditures and exploration results under a property purchase agreement between the

Company and Beja dated May 9, 2017 (the "**Beja Agreement**"). During the financial year ended March 31, 2017, the Company had property investigation expenditures of $2,500.

(2) Based on weighted average number of common shares issued and outstanding for the period.

Discussion of Operations

The Company incurred a net loss of $66,811 for the six months ended September 30, 2017, as compared to a net loss of $15,554 for the period from incorporation to March 31, 2017. Total expenses for the period were $43,840, of which $30,372 was professional fees, $13,430 was filing fees and $34 was bank charge expense. Professional fees consist of legal, accounting and audit fees.

The Technical Report recommends that the Company conduct a two phase exploration program comprised of: phase one, consisting of rock sampling and exploration geochemistry; and phase two, if warranted by the results of phase one, consisting of diamond drilling. The estimated budget for phase one is $102,050, and the estimated budget for phase two is $111,125, for total recommended exploration expenditures of $213,175.

Exploration conducted on the Property by the Company will partly depend on exploration activities conducted by Probe. The Company will strive to work in co-operation with Probe and compliment exploration efforts by Probe where practical. Moreover, in anticipation of becoming Probe's joint venture partner upon successful exercise of the option by Probe, which may occur as early as the fall/winter of 2017, the Company will attempt to be ready to match exploration spending with Probe if previous exploration results dictate that it is in the best interests of the Company to do so. As of the date of this MD&A, Probe has confirmed that it has spent approximately $100,000 in exploration expenditures on the Property.

Summary of Quarterly Results

The following financial data was derived from the Company's financial statements for each of the Company's four completed financial quarters:

	December 31, 2016 ($) (1)	March 31, 2017 ($)	June 30, 2017 ($)	September 30, 2017 ($)
Revenues	Nil	Nil	Nil	Nil
Net income (loss) before other income/ expenses	0	(15,554)	(22,971)	(43,840)
Other items	0	0	0	0
Interest income	0	0	0	0
Future income tax recovery	0	0	0	0
Future income tax expense	0	0	0	0
Interest / penalties	0	0	0	0
Net income (loss) after other income / expenses	0	(15,554)	(22,971)	(43,840)
Net Income (loss) per share – basic and diluted (2)	0	(0.282)	(0.003)	(0.005)
Weighted average number of shares outstanding	0	55,088	7,091,667	(8,427,539)

(1) The financial quarter is for the period from incorporation on December 8, 2016, to December 31, 2016.

(2) Based upon the weighted average number of common shares issued and outstanding for the period. The 700,000 options outstanding are anti-dilutive.

Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no cash flow from operations. Its only source of funds since incorporation has been from the sale of common shares. From the date of incorporation on December 8, 2016, to September 30, 2017, it has raised $525,960 from the sale of shares for cash through the issuance of 10,139,600 shares. The Company has also issued: 125,000 shares to Fred Bonner, Chief Geologist of the Company, as consideration for geological services provided pursuant to a consulting agreement; and 1,500,000 shares to Beja Resources Inc. as consideration for the rights to the Millen Mountain Property and all information, data, records, exploration results and exploration expenditures with respect to the Property. In total, there are 11,764,600 shares outstanding as of the date of this MD&A. As described above under "The Company", the Company may issue further shares under the Prospectus.

As at September 30, 2017, current assets were $384,933 (March 31, 2017 - $123,866) and current liabilities were $1,352 (March 31, 2017 - $14,920), resulting in working capital of $383,581 (March 31, 2017 - $108,946), at that time. There are no known trends affecting liquidity or capital resources.

As at September 30, 2017, the Company had total assets of $534,933 (March 31, 2017 - $123,866) which are comprised of $382,689 cash, $2,244 of accounts receivable and $150,000 of exploration and evaluation property.

The net proceeds raised from the Offering under the Prospectus are expected to fund the Company's operations for at least 12 months from the closing of the Offering. The Company has had negative cash flow from its operating activities since its incorporation and expects to continue to have negative cash flow from its operating activities in the future. The Company's source of funds since incorporation has been from the sale of equity capital and the Company expects that equity capital will continue to be its source of funds in the future. See "Risks and Uncertainties" below for further disclosure of the risk of negative cash flow from its operating activities.

The estimated total operating costs necessary for the Company to achieve its stated business objectives during that period of time is $245,050, which includes the balance of the estimated costs of the Offering, the corporate finance fee payable under the Offering, estimated exploration expenditures on the Property and estimated general and administrative expenses. A breakdown of the estimated general and administration expenses for the 12 months following completion of the Offering is as follows:

12 Month General & Administrative Expenses	**($)** **Monthly**	**($)** **Annual**
Audit	1,000	12,000
Legal	500	6,000
Management Fees (1)	1,000	12,000
Rent	0	0
Office Expenses	250	3,000
Personnel	0	0
Shareholder Communications	250	3,000
Telecommunications / Internet / Computer	250	3,000
Transfer Agent / Filing Fees	1,500	18,000
Transportation and Accommodation	500	6,000
Total	**$5,250**	**$63,000**

(1) The Company's CFO will receive a management fee of $1,000 per month.

The Company is in the process of exploring the Property and has not yet determined whether the Property contains mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. If Probe successfully exercises its option under the Option Agreement and the joint venture is formed, the Company will be required to match exploration expenditures on the Property. The Company is not aware of any other material capital expenditures in the next 12 months.

While the information in this MD&A has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

Exploration Expenditures

In 2012, Beja incurred the following exploration expenditures that were expensed as incurred in 2012:

DESCRIPTION OF WORK	**TOTAL**
Geophysics survey	$85,256.71
Geophysics interpretation and report	$9,887.50
Geological, supervision and field management	$15,269.92
Line cutting	$19,000.00
Total	**$129,414.13**

The above expenditures include all applicable taxes.

Under the Beja Agreement, Beja assigned its interest in the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property to the Company in exchange for 1,500,000 common shares of the Company.

Disclosure of Outstanding Security Data

As of the date of this MD&A, the Company has the following securities issued and outstanding: 11,764,600 common shares; 700,000 stock options, each exercisable for one common share of the Company for $0.10, issued and outstanding; and 392,710 agent's warrants, each exercisable for one share at a price of $0.10 per share until September 14, 2019. The Company has no other securities issued or outstanding that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

Transactions between Related Parties

During the period from incorporation to September 30, 2017, the Company paid or made provision for the future payment of the following amounts to related parties:

- The Company issued 125,000 common shares to the Chief Geologist of the Company as consideration for geological services provided to the Company pursuant to a consulting agreement.
- The Company paid an aggregate of $3,500 to the Chief Financial Officer of the Company for accounting services, f which $1,000 is related to future periods.
- The Company paid an aggregate of $25,950 to Beadle Raven LLP., the law firm of the Corporate Secretary of the Company, for legal services.
- The Company repaid a shareholder loan of $1,900 to the Chief Executive Officer of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Licence was transferred to the Company from Rheingold Exploration Corp. ("**Rheingold**") pursuant to a property transfer agreement dated April 5, 2017 between the Company and Rheingold (Rheingold held the Licence in trust for Beja). Paul Pedersen, a director and Chairman of the Company, is a director of Rheingold and was formerly President and Chief Executive Officer of Rheingold, and Fred Bonner, the Company's Chief Geologist, is a director of Rheingold. Pursuant to the Beja Agreement, the Company agreed to issue 1,500,000 common shares of the Company to Beja as consideration for the rights to the Property and all information, data, records, exploration results and exploration expenditures with respect to the Property. Peter Smith, Paul Pedersen, Fred Bonner and Michael Raven, each a director and/or officer of the Company, are former directors and/or officers of Beja. Beja had previously been dissolved for failure to file annual reports with the British Columbia corporate registry. On May 8, 2017, Beja was restored for the purpose of transferring its rights to the Property to Legion. Beja's restoration was a limited restoration, with an expiry date of June 9, 2017, when Beja was dissolved again. Prior to Beja's dissolution, the 1,500,000 common shares of the Company that Beja received pursuant to the Beja Agreement were distributed pro rata to the shareholders of Beja, including Peter Smith (who received 57,000 Company shares), Paul Pedersen (who received 202,475 Company shares) and Michael Raven (who received 43,000 Company shares).

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Recently, equity markets in the junior resource sector, led by an increase in the price of gold, showed signs of improvement, with a number of financings being completed (as well as increases in merger and acquisition activity). Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Forward-Looking Statements and Forward-Looking Information" at the end of this MD&A.

Outlook

The Company's priorities are to support Probe's exploration of the Property, where warranted and in the best interests of the Company. The Company will review the results of Probe's exploration program to determine whether further exploration of the Property by the Company or making participating exploration expenditures under the joint venture agreement, once the joint venture is formed, is warranted.

There are significant risks that might affect the Company's further development. These include but are not limited to: exploration programs that may not result in a commercial mining operation; negative cash flow from operations; the Company's ability to raise financing in the future for ongoing operations; market fluctuations in metal prices; government regulations; and other conditions that may be out of the Company's control. See "Risks and Uncertainties" below.

Critical Accounting Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the Company's financial statements.

Critical accounting estimates, assumptions and judgments made by management that may result in material adjustments to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Share-based payments: The Company records all share-based payments using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of the stock options and warrants. The fair value of the 700,000 options granted on May 1, 2017 was $7,000. The main factors affecting the estimates of the fair value of these equity instruments are the expected life of the equity instruments, risk free interest rate, the stock price volatility used and the forfeiture rate for stock options. The Company currently estimates the expected volatility by using the average volatility of mature similar listed entities.

Changes in Accounting Policies including Initial Adoption

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the financial statements. The Company, in consultation with its auditor, periodically reviews accounting policy changes implemented within its industry.

Financial Instruments and Other Instruments

The carrying values of cash and cash equivalents and accounts payable approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to Asset Backed Commercial Paper.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of shares, it is uncertain as to whether it will be able to continue this form of financing due to uncertain economic conditions. There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

- Categories of financial instruments

		September 30, 2017		June 30, 2017		March 31, 2017
Financial assets at fair value through profit or loss						
Cash and cash equivalents	$	$82,689	$	103,502	$	121,866

Other financial liabilities

Accounts payable and accrued liabilities	$	1,352	$	21,027	$	14,920

The fair values of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying values due to the short term to maturities of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk and liquidity risk. The Company's exposure to these risks and its methods of managing the risks remain consistent.

- Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

  - Interest rate risk

    Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Should the market interest rates increase/decrease by 1%, the impact on cash would be immaterial.

    The Company monitors its exposure to interest rates and has not entered into any derivative financial instruments to manage this risk. The Company's exposure to interest rate risk is immaterial.

  - Foreign currency risk

    The Company is not exposed to foreign currency risk as all expenditures incurred by the Company are denominated in Canadian dollars.

  - Other price risk

    Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk on its financial instruments.

- 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, and arises principally from the Company's cash. The carrying value of the financial assets represents the maximum credit exposure.

Credit risk is minimal as cash is on deposit with a Canadian chartered bank.

- 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Liquidity risk is minimal as the Company can satisfy its commitments for the coming year.

The following is an analysis of the contractual maturities of the Company's financial liabilities at September 30, 2017:

	Within One Year	Between One and Five Years	More than Five Years
Accounts payable and accrued liabilities	$ 1,352	$ -	$ -

There were no changes in the Company's approach to financial risk management during the year.

Risks and Uncertainties

The exploration, development and mining of mineral resources are highly speculative in nature and are subject to significant risks. In addition to the usual risks associated with an investment in a business at an early stage of development, management and the directors of the Company believe that, in particular, the following risk factors should be considered by prospective investors. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

<u>Limited Operating History</u>

The Company has a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. Investors should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

<u>Uncertain Liquidity and Capital Resources</u>

The Company may need to raise additional capital by way of an offering of equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. In particular, the Company may not have sufficient funds to complete the recommended exploration program on the Millen Mountain Property or match exploration expenditures made on the Property by Probe once the joint venture is formed, and will need to raise additional capital. The Company has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Company needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's common shares. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth.

No Known Economic Deposits

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Fluctuations in Metal Prices

Factors beyond the Company's control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the Company's exploration activities cannot be predicted. For example, gold prices are affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. As well, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Title Risk

The Company cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. The Company has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

First Nations Land Claims

First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* marked the first time in Canadian history that a court has declared First Nations title to lands outside of a reserve. The Company is not aware of any First Nations land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the land which is covered by the Millen Mountain Property. The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In the event that First Nations title is asserted and proved on the Millen Mountain Property, provincial and federal laws will continue to be valid provided that any infringements of First Nations title, including mining and exploration, are either consented to by First Nations groups or are justified. However, no assurance can be given that a broad recognition of First Nations rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Company's activities. Such impact could be marked and, in certain circumstances, could delay or even prevent the Company's exploration or mining activities.

Land Use Approvals and Permits

The proposed exploration program described in the Technical Report is expected to include exploration work for which land use approvals or permits must be obtained from the Nova Scotia government. The Company cannot guarantee that it will be able to obtain all such approvals or permits in a timely manner or at all, and any delay or failure to receive any required land use approvals or permits could negatively impact the Company's future exploration of the Millen Mountain Property.

Exploration and Development Risk

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Environmental Laws and Regulations

The Company's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The operations of the Company including exploration and any development activities or commencement of production on its properties, require permits from various federal, provincial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. To the extent that such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Company may be liable for environmental contamination and natural resource damages relating to the Property that occurred before the Company owned the Property. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

Influence of Third Party Stakeholders

The Property or the roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates on the Property may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Competition

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire attractive mineral properties on terms it considers acceptable. The Company also competes with other companies for the recruitment and retention of qualified employees and other personnel.

Management

The Company's prospects depend in part on the ability of its senior management and directors to operate effectively and the loss of the services of such persons could have a material adverse effect on the

Company. To manage its growth, the Company may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. The Company does not have key man insurance in place in respect of any of its directors or officers.

Option Agreement

There is no assurance that Probe will incur all of the required exploration expenditures under the Option Agreement. If Probe does not incur the required exploration expenditures, then the Company will not have the benefit of exploration of the Property by Probe under the Option Agreement and the results of such exploration expenditures. Instead the Company will have to conduct and fund exploration on the Property on its own without the benefit of Probe's exploration. The Company currently has sufficient funds to complete phase one of the recommended exploration program under the Technical Report but will have to raise additional funds to complete phase two of the recommended exploration program.

Joint Venture Obligations

If Probe successfully exercises its option under the Option Agreement, the Company and Probe will form a joint venture under which each will be required to contribute its proportionate share of ongoing expenditures or have its interest in the Property diluted. If the Company fails to match exploration payments and obligations on the Property following the formation of the joint venture, it may lose its interest in the Property and be left with only an NSR interest.

Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. In particular, the CEO and CFO of the Company will only be devoting 50% and 10% of their time, respectively, to the business and affairs of the Company. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Dividends

The Company has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the directors of the Company consider appropriate.

Estimates and Assumptions

Preparation of its financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Company anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as executive officers.

Forward-Looking Statements and Forward-Looking Information

The information provided in this MD&A may contain forward-looking statements and forward-looking information about Legion within the meaning of applicable securities laws. In addition, Legion may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of Legion that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by Legion that address activities, events, or developments that Legion expect or anticipate will or may occur in the future are forward-looking statements and information, including, but not limited to, statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intends", "plan", "forecast", "budget", "schedule", "project", "estimate", "outlook", or the negative of those words or other similar or comparable words. This forward-looking information and forward-looking statements include, without limitation, information about the Company's opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, forward-looking information and forward-looking statements may concern the Company's exploration of and expenditures on the Company's Millen Mountain Property.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities.

Actual performance, achievement or other realities could differ materially from those expressed in, or implied by, any forward-looking statements or information in this MD&A and, accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and Legion does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements or information whether as a result of new information, future events or otherwise, except as required by applicable law. All forward-looking statements and information contained in this MD&A and other documents of Legion are qualified by such cautionary statements.

In addition, forward-looking statements and information herein, including financial information, is based on certain assumptions relating to the business and operations of Legion. Although Legion has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this MD&A, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements and information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A.