
SPEY RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS FOR THE
NINE MONTH PERIOD ENDED AUGUST 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the operating results and financial position of the Company should be read in conjunction with the audited financial statements and related notes for the year ended November 30, 2019. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The effective date of this MD&A is **October 30, 2020**.

Business Overview

The Company was incorporated in the province of British Columbia on July 31, 2017. Its principal business comprises the exploration for and development of mineral properties. The Company is in the exploration stage.

On August 22, 2018, the Company completed its initial public offering and listed on the Canadian Securities Exchange ("CSE") under the symbol "SPEY".

The head office and principal address of the Company is located at 1315 Moody Avenue, North Vancouver, BC V7L 3T5.

Silver Basin Property

Pursuant to an option agreement (the "SB Agreement") dated July 30, 2020, the Company was granted an option to acquire a 100% interest from in the Silver Basin Property (the "SB Property") located in the Revelstoke Mining Division, of southern British Columbia.

Under the terms of the Agreement, the Company has the option to acquire an undivided 100% interest in and to the SB Property, free and clear of all liens, charges, encumbrances, claims, rights or interest of any person, with the exception of a 2.0% Net Smelter Return ("NSR") payable to the Vendor. The Option is exercisable by the Company:

a) paying an aggregate \$386,000 as follows:

- i) \$6,000 upon signing; (paid)
- ii) an additional \$20,000 on or before July 1, 2021;
- iii) an additional \$80,000 on or before July 1, 2022;
- iv) an additional \$80,000 on or before July 1, 2023;
- v) an additional \$200,000 on or before July 1, 2024; and

b) incurring \$10,000 work expenditure on the Property before October 30, 2020; (completed) and

c) issuing an aggregate 2,000,000 common shares as follows:

- i) 100,000 shares on approval of the Option by the CSE (issued);
- ii) an additional 200,000 shares on or before July 1, 2021;
- iii) an additional 200,000 shares on or before July 1, 2022;
- iv) an additional 500,000 shares on or before July 1, 2023;
- v) an additional 1,000,000 shares on or before July 1, 2024.

Upon commencement of commercial production, and subject to Exchange policies in effect at the time, the Company shall issue an additional 1,000,000 common shares in the Company. At such time, the SB Property will also be subject to the underlying NSR. The Company is entitled, at any time, to purchase 80% of the NSR by making a single payment of \$2,000,000 to the Property vendors.

Standfast Wigwam Property

Pursuant to an option agreement (the “SW Agreement”) dated July 31, 2017, the Company was granted an option to acquire a 100% undivided interest in the Standfast Wigwam Property (the “SW Property”) located in the Revelstoke Mining Division in British Columbia.

	Common Shares	Cash	Exploration Expenditures
	#	\$	\$
Upon execution of the Agreement (paid)	-	5,000	-
Upon listing of the Company’s common shares on the Canadian Stock Exchange (the “Listing”) (issued)	100,000	-	-
On or before the first anniversary of the Listing (issued)	100,000	-	-
On or before the second anniversary of the Listing	100,000	20,000	100,000
On or before the third anniversary of the Listing	100,000	30,000	100,000
On or before the fourth anniversary of the Listing	200,000	100,000	300,000
On or before the fifth anniversary of the Listing	-	-	-
Total	600,000	155,000	500,000

In accordance with the SW Agreement, the Company has the option to acquire a 100% undivided interest in the Property by issuing a total of 600,000 common shares of the Company to the Optionors, making cash payments totaling \$155,000, and incurring a total of \$500,000 in exploration expenditures as follows:

The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production.

During the period ended August 31, 2020, the Company informed the Optionor that it would not be proceeding with its option on the Uravan Property and wrote off costs through profit and loss incurred on the SW Property from exploration and evaluation assets totalling \$130,516.

Uravan Property

Pursuant to an option agreement (the “Uravan Agreement”) dated January 11, 2019, the Company was granted an option to acquire a 100% interest in the Uravan Property (the “Uravan Property”) located in the La Sal area, San Juan County, Utah, USA.

In accordance with the Uravan Agreement, the Company has the option to acquire a 100% interest in the Uravan Property by issuing a total of 3,500,000 common shares of the Company to the Optionors and making cash payments totaling US\$310,000 as follows:

	Common Shares	Cash
	#	\$
Within 5 days of the filing of the Option Agreement with the CSE (the "Filing Date") (issued and paid)	500,000	US 35,000
On or before that date that is 12 months from the Filing Date	500,000	US 50,000
On or before that date that is 24 months from the Filing Date	500,000	US 75,000
On or before that date that is 36 months from the Filing Date	1,000,000	US 150,000
On or before that date that is 48 months from the Filing Date	1,000,000	
Total	3,500,000	US 310,000

An additional payment of US 1,000,000 either in cash or common shares of the Company on or before the date of commencement of commercial production.

Upon Spey earning a 100% interest in the Property, Geoxplor shall be entitled to a 2.0% Net Smelter Return Royalty ("NSR") payable upon commercial production from the Property. Spey has the right to purchase three quarters of the NSR (leaving Geoxplor with a 0.5% NSR) by making payments totaling US\$1,500,000 at anytime.

During the year ended November 30, 2019, the Company informed the Optionor that it would not be proceeding with its option on the UraVan Property and wrote off costs through profit and loss incurred on the UraVan Property from exploration and evaluation assets totalling \$115,778.

Overall Performance and Results of Operations

The following table summarizes selected information from the Company's unaudited interim financial statements for the three months period ended August 31, 2020.

Overall Performance

- On January 21, 2019, the Company issued 500,000 Common Shares at a deemed price of \$0.10 for the UraVan Property;
- On April 10, 2019, the Company issued 1,350,000 units at a price of \$0.06 per unit pursuant to a unit private placement. Each Unit was comprised of one (1) common share in the capital of the Company and one (1) non-transferrable Common Share purchase warrant. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.10 per Common Share until April 10, 2020;
- On November 12, 2019, the Company issued 100,000 common shares at a deemed price of \$0.10 for the SW Property;
- On January 20, 2020, the Company issued 2,100,000 units at a price of \$0.03 per unit pursuant to a private placement. Each Unit was comprised of one (1) common share in the capital of the Company and one (1) non-transferrable Common Share purchase warrant. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.05 per Common Share until January 20, 2022;
- On July 30, 2020, the Company announced it was granted an option to acquire a 100% interest from in the Silver Basin Property;

- On August 4, 2020, the Company terminated its option agreement on the SW Property; and
- On September 29, 2020, the Company issued 3,194,500 units at a price of \$0.10 per Unit for gross proceeds of \$319,450. Each Unit was comprised of one (1) common share in the capital of the Company and one (1) non-transferrable Common Share purchase warrant. Each Warrant entitles the holder to purchase one Common Share at a price of \$0.22 per Common Share until September 28, 2022;
- On September 30, 2020, the Company issued 100,000 Shares pursuant to the terms of the Silver Basin Option Agreement.

The share issuances were used primarily to fund initial exploration activities as well as general corporate and administrative costs. Since incorporation, the Company incurred certain exploration expenditures of \$130,516 on the Standfast Wigwam Property, 115,778 on the Uravan Property and \$11,000 on the Silver Basin Property.

Results of Operations

The Company incurred a loss of \$170,558 during the three months ended August 31, 2020 (August 31, 2019: \$68,985) due to expense incurred by the Company as follows:

	Three months ended August 31, 2020	Three months ended August 31, 2019
Expense	(\$)	(\$)
Management Fees	16,500	26,250
Office	93	29
Professional Fees	13,496	16,124
Rent	1,500	1,500
Transfer and Filing Fees	7,338	7,782
Write down of SB property	130,516	-

Summary of Quarterly Results

Selected information derived from the Company's unaudited interim financial statements for the past four quarters is as follows (in 000s except for Net loss per share):

	Three Months Ended August 31, 2020	Three Months Ended May 31, 2020	Three Months Ended February 29, 2020	Three Months Ended November 30, 2019
Total Revenues	Nil	Nil	Nil	Nil
Net (loss) income and comprehensive (loss) income	(171)	(48)	(26)	(310)
Total assets	139	156	168	134
Working Capital (Deficit)	73	(25)	25	(12)
Long-term liabilities	Nil	Nil	Nil	Nil
Net loss per share – basic and diluted	(0.01)	(0.00)	(0.00)	(0.02)

Liquidity and Capital Resources

As described above, the Company raised \$63,000 during the nine months ended August 31, 2020 by way of the Private Placement described above and \$65,000 from the exercise of warrants. The net working capital of the Company at August 31, 2020 amounted to \$73,276. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company and therefore financings have been the sole source of funds.

The Company's current assets are not sufficient to support the Company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future. Accordingly, further financing will be required and the Company will have to raise additional funds to continue its operations. Please see Overall Performance section with respect to the Company's financing plans.

Liquidity Outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

Based on the Company's financial position as at August 31, 2020, the Company will need to complete additional external financing either through equity, debt or other forms of financing. As other opportunities become available to the Company and subject to exploration work on the Company's project and results from such exploration program is determined, management may be required to complete additional financing.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes that there will be risks involved which may be beyond its control.

Going Concern

The Company's consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception, has no recurring source of revenue and, as at August 31, 2020, had an accumulated deficit of \$853,112 (November 30, 2019:

\$624,594). These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company's current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

The Company is required to make the scheduled payments of cash and shares detailed under the Silver Basin Property Section in order to keep the property option in good standing.

Contractual Obligations

The Company is subject to certain contractual obligations associated with the Silver Basin Option Agreement as discussed above. The Company has no other material and long-term contractual obligations.

Significant Accounting Policies and Estimates

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found in Note 2 of the audited financial statements for the period ended November 30, 2019.

New Accounting Standards

The Company is aware of certain new accounting standards which are reasonably expected to have an impact on disclosures, financial position or performance when applied at a future date. Details of these changes can be found in Note 4 of the audited financial statements for the year ended November 30, 2019.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the three months ended August 31, 2020, the Company incurred \$16,500 (August 31, 2019: \$32,000) in key management personnel cost from related parties and no other related party transactions have been completed. As at August 31, 2020, \$44,450 (November 30, 2019: \$17,600) was due to related parties and carry no interest or repayment terms.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk and price risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company's classifies and measures its financial instruments as follows:

Asset/Liability	Measurement Category	Subsequent measurement
Cash	FVTPL	FVTPL
Accounts payable and accrued liabilities	FVTPL	FVTPL

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency Risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the risk, the Company places these instruments with a high-quality financial institution.

Liquidity Risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

Summary of Outstanding Share Data as of date of this MD&A

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 20,184,500 common shares; and 1,900,000 common shares remain issuable under the Silver Basin Option Agreement.

Warrants: 3,994,500

Stock options: 1,164,000, all priced at \$0.10