
SPEY RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS FOR THE
YEAR ENDED NOVEMBER 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") has been prepared by management, in accordance with the requirements of NI 51-102 as of March 30, 2021 and should be read in conjunction with the audited financial statements for the year ended November 30, 2020 and November 30, 2019, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

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.

In March 2020, there was a global outbreak of COVID-19, which continues to rapidly evolve. The extent to which the COVID-19 coronavirus may impact the Company will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, social distancing, business closures or business disruptions, and the effectiveness of actions taken by countries to contain and treat the disease.

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.

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:

	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

During the period ended November 30, 2020, the Company informed the party holding the option that it will not be proceeding with its option on the SW Property and wrote off costs through profit and loss incurred on the SW Property from exploration and evaluation assets totaling \$130,316.

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

As of November 30, 2019, the Company has paid \$ 46,618 (US\$ 35,000) and issued 500,000 common shares with a fair value of \$47,500 to the Optionor.

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 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 audited financial statements for the period from incorporation to November 30, 2020

Selected Annual Information

	For the year ended November 30, 2020	For the year ended November 30, 2019	For the year ended November 30, 2018
Net revenues	Nil	Nil	Nil
Management and consulting	(\$62,500)	(\$91,350)	(\$40,500)
Office and miscellaneous	(\$21,946)	(\$35,338)	(\$16,112)
Professional Fees	(\$37,721)	(\$27,770)	(\$96,812)
Rent	(\$5,000)	(\$8,000)	(\$13,953)
Share-based payments	-	(\$26,526)	(\$73,059)
Transfer and Filing Fees	(\$19,909)	(\$21,695)	(\$16,768)
Loss for the period before other items	(\$147,076)	(\$210,679)	(\$257,204)
Other Items			
Expense recovery	-	16,497	-
Impairment on exploration and evaluation	(130,316)	(115,778)	-
Loss and Comprehensive Loss	(\$277,392)	(\$309,960)	(\$257,204)
Deficit	(\$901,986)	(\$624,594)	(\$314,634)
Acquisition Costs/ Property Option Cash Payments	6,000	5,000	5,000
Acquisition Costs/ Property Option Payment in Shares	11,500 ¹	13,500 ²	10,000 ³
Exploration Costs	30,726	107,834	102,179
Total assets	\$318,362	\$134,308	\$295,141
Total long-term liabilities	Nil	Nil	Nil
Dividends	Nil	Nil	Nil
Loss per share	(\$0.02)	(\$0.02)	(\$0.03)

1 100,000 shares valued at \$0.115 per share

2 200,000 shares valued at \$0.05 per share and 100,000 shares valued at \$0.035 per share

3 200,000 shares valued at \$0.05 per share

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, Company issued 1,350,000 common shares at a price of \$0.06 per common shares pursuant to a private placement;
- 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 shares at a price of \$0.03 per common share for gross proceeds of \$63,000 pursuant to a private placement.
- On September 28, 2020, the Company issued 3,194,500 common shares at a price of \$0.10 per common share for gross proceeds of \$319,450.
- On September 30, 2020, the Company issued 100,000 common shares with a fair value of \$11,500 as a payment on the Silver Basin Property.

The share issuances were used primarily to fund initial exploration activities as well as general corporate and administrative costs. As of November 30, 2020, the Company has incurred certain exploration activities on the Silver Basin Property, spending \$48,226 which was capitalized by the Company.

The components of expensed exploration costs are described above in the Standfast Wigwam Property and Uravan Property sections and in the accompanying audited financial statements of the Company.

Results of Operations

The Company incurred a loss of \$277,392 during the year ended November 30, 2020 (November 30, 2019: \$309,960) due to expense incurred by the Company as follows:

	November 30, 2020	November 30, 2019
	\$	\$
Management and consulting	62,500	91,350
Office and miscellaneous	21,946	35,338
Professional fees	37,721	27,770
Transfer agent and filing fees	19,909	21,695
Rent	5,000	8,000
Share-based payments	-	26,526
Impairment on exploration and evaluation	130,316	115,778
Expense recovery	-	(16,497)
	277,392	309,960

Summary of Quarterly Results

Selected information derived from the Company's interim financial statements for the past eight quarters is as follows:

(In '000s, except loss per share)

	Three Months Ended November 30, 2020	Three Months Ended August 31, 2020	Three Months Ended May 31 2020	Three Months Ended February 28, 2020	Three Months Ended November 30, 2019	Three Months Ended August 31, 2019	Three Months Ended May 31, 2019	Three Months Ended February 28, 2019
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(Loss) income and comprehensive (loss) income	(3249)	(171)	(48)	(26)	(310126)	(69)	(43)	(43)
Total assets	318	139	156	168	134	282	317	308
Working Capital (Deficit)	248	73	(25)	25	(12)	16	66	66
Long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss per share – basic and diluted	(0.029)	(0.01)	(0.00)	(0.00)	(0.024)	(0.01)	(0.00)	(0.00)

Liquidity and Capital Resources

As described above, the Company raised \$447,450 during the year ended November 30, 2020 by way of the Private Placement and \$65,000 from the exercise of warrants. The net working capital of the Company at November 30, 2020 amounted to \$248,125. During the year ended November 30, 2019, the Company raised \$81,000 by way of the Private Placement and \$Nil from the exercise of warrants. 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 November 30, 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 November 30, 2020, had an accumulated deficit of \$901,986 (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 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 year ended November 30, 2020.

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, 2020.

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. The following summarizes related party transactions for the years ended November 30, 2020 and 2019:

	November 30, 2020	November 30, 2019
Management fees	\$ 62,500	\$ 91,350
Share-based payments	-	26,526
	62,500	117,876

As at November 30, 2020, \$Nil (November 30, 2019: \$17,600) was due to related parties and carry no interest or repayment terms.

Fourth Quarter

During the three months ended November 30, 2020, the company reported a loss of \$48,874 or \$0.00 per share. The loss for the three months ended November 30, 2020 was largely attributed to \$14,827 office and miscellaneous and \$21,148 for professional fees that includes audit and legal services. During the three months ended November 30, 2019, the company reported a loss of \$126,280 or \$0.01 per share. The loss for the three months ended November 30, 2019 was largely attributed to \$29,850 management and consulting fees and an impairment on exploration and evaluation of \$115,778 on the SW Property.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	November 30, 2020	November 30, 2019
Cash	FVTPL	\$ 262,432	2,048
Accounts payable and accrued liabilities	Amortized cost	22,011	19,515

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable approximate their respective carrying values because of their immediate or short-term nature.

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at November 30, 2020 because of the demand nature or short-term maturity of these instruments.

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: 22,184,500 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 priced at \$0.10 and 1,050,000 priced at \$0.105

Subsequent Events

Acquisition of Tay Resources Corp.

On March 1, 2021 the Company acquired 100% of the issued and outstanding common shares in the capital of Tay Resources Corp. ("Tay") from the shareholders of Tay, resulting in Tay becoming a wholly-owned subsidiary of Spey. In connection with the Transaction, the Company issued 2,000,000 common shares (each a "Spey Share") in the capital of the Company to the Tay Shareholders.

Tay owns an option (the "Option") to acquire an undivided 100% interest in and to the Kaslo Silver Property (the "Kaslo Silver Property"), located 12 kilometres west of Kaslo in southern British Columbia. Adding the Kaslo Silver Property to Spey's portfolio provides the Company with a second highly prospective silver and base metal property.

In order to exercise the Option, Spey must:

- Make cash payments to the totaling \$310,000 as follows: (a) \$30,000 payable on or before August 31, 2021; (b) \$70,000 payable on or before August 31, 2022; (c) \$100,000 payable on or before August 31, 2023; and (d) \$110,000 payable on or before August 31, 2024;
- Issue to an aggregate of 236,547 Spey Shares as follows: (a) 78,849 Spey Shares on or before August 31, 2021; (b) 78,849 Spey Shares on or before August 31, 2022; and (c) 78,849 Spey Shares on or before August 31, 2023; and
- Issue an additional 131,415 Spey Shares upon the commencement of commercial production at the Kaslo Silver Property.

Upon commencement of commercial production at the Kaslo Silver Property, the Kaslo Silver Property will be subject to 2.5% net smelter return royalty. All securities issuable in connection with the Option are subject to a statutory hold period expiring four months and a day from the date of issue.

Change in Management

On March 26, 2021, the Company announced that Nader Vatanchi has been appointed CEO and director and Marshall Farris has resigned from the board and from the position of CEO.

Stock options

On March 26, 2021, the Company announced that it has granted incentive stock options to directors, officers and a consultant of the Company to purchase up to 1,050,000 common shares in the capital of the Company pursuant to the Company's stock option plan. The options vest immediately upon grant and are exercisable into common shares at \$0.105 per share until March 25, 2026.