ETRUSCUS RESOURCES CORP.
Management's Discussion and Analysis
Six-month period ended September 30, 2019

Introduction

The following management's discussion and analysis ("MD&A") is dated November 29, 2019 and provides information on the activities of the Etruscus Resources Corp. ("Etruscus" or "the Company") as at and for the six-month period ended September 30, 2019 and should be read in conjunction with the condensed interim financial statements for the six-month period ended September 30, 2019 and the annual financial statements for year ended March 31, 2019, and Notes to the financial statements thereto. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results presented for the period ended September 30, 2019 are not necessarily indicative of the results that may be expected for any future period.

Technical aspects of this MD&A have been reviewed and approved by the Company's Vice-President of Exploration, Dr. David Webb, P.Geo., P. Eng., designated as a Qualified Person under National Instrument ("NI") 43-101. This MD&A was written to comply with the requirements of NI 51-102 - Continuous Disclosure Obligations and includes material events and transactions up to the date of this report.

The Company was incorporated on July 1, 2017 and its common shares were listed for trading on the CSE Exchange ("CSE") under the trading symbol "ETR" on January 15, 2019 (the "Listing Date"). Further information about the Company and its operations can be obtained from the Company's office located at Suite #604 - 850 West Hastings St., Vancouver, BC, V6C 1E1, and from the internet at www.sedar.com (the "Canadian System for Electronic Document Analysis and Retrieval").

Cautionary Note Regarding Forward-Looking Information

Readers are cautioned that management's discussion and analysis contains "forward-looking statements". Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain required governmental approvals or financing, as well as other risks discussed under "Risk Factors" and "Financial Risks". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. The Company has made numerous assumptions about the forward-looking statements and information contained herein, including among other things, assumptions about the Company's anticipated costs and expenditures and its ability to achieve its goals.

Even though the Company's management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Forward-looking statements contained in this MD&A are made as of the date of this report. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required by applicable law.

Description of Business

The Company is a mineral exploration company without any operating revenues. Its principal project is in the Liard Mining Division in northwestern British Columbia where it has a 100% interest in the Rock & Roll Property (the "Property"), a group of 39 contiguous mineral claims totaling 21,955 hectares ("Ha"), consisting of 14 purchased claims and 25 claims subsequently staked by the Company. The purchased claims contain 103 historic drill holes, all drilled by previous operators, with the most significant program occurring in 1991. The drilling outlined a polymetallic volcanogenic massive sulphide ("VMS") deposit primarily based on silver, zinc and gold values (refer to Table 1 below) which are worldwide saleable commodities subject to normal price variations in the global market. The Company intends to continue exploration of the project, using improved technologies with a goal to expand the scope, depth and grade of the deposit.

Mineral exploration involves a high degree of risk. The recoverability of the amounts expended on exploration by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete its exploration programs, the development of its mineral properties and upon future profitable production or the proceeds from the disposition of its properties. The Company has not yet determined whether the Property contains economically recoverable reserves.

Property Highlights

- the Rock & Roll Property is located in the prolific Golden Triangle of northwestern British Columbia, 150 km north of Stewart's Deep-Sea Port;
- the Property hosts the polymetallic Black Dog Deposit, a known VMS deposit, geologically similar to the VMS deposits at the Eskay Creek Mine and Granduc Mine;
- historic drilling on the Property predominantly from 1989-1991 by Prime Resources (one of Murray Pezim's companies) outlined the massive sulphide "Black Dog Horizon" as well as the "SRV Zone";
- numerous geochemical anomalies and geophysical conductors remain untested and potential for finding other massive sulphide lenses remains high as these types of deposits often form in clusters;
- the Property is situated 7 km from the Bronson Mining Camp currently being used by Skeena Resources and Seabridge Gold Inc. to explore the neighbouring historic Snip Mine and historic Johnny Mountain Mine respectively; and
- in December 2018, a 43-101 compliant technical report (the "Technical Report") was filed on SEDAR containing the following Inferred Resource estimate prepared by Dr. A. Armitage, an independent Qualified Person as defined by NI 43-101:

Table 1: Rock & Roll Inferred Mineral Resource Estimate, August 3rd, 2018 (Cut-off Grade 0.5 g/t AuEq)								
Resource		**Grade**					**AuEq**
Inferred	2,015,000 Tonnes	**Au** (g/t)	**Ag** (g/t)	**Cu** (%)	**Pb** (%)	**Zn** (%)	(g/t)
		0.71	87.1	0.23	0.23	0.98	2.63
	Contained Metal	46,000 Ozs	5,643,000 Ozs	10,246,000 Lbs	10,180,000 Lbs	43,503,000 Lbs	170,000 Ozs

**Mineral resources are reported at a base case cut-off grade of 0.5 g/t gold equivalent (AuEq) considering metal prices in USD of $1,250.00/oz Au, $17.00/oz Ag, $3.00/lb Cu, $1.00/lb Pb and $1.20/lb Zn, and assuming metal recoveries of 95% for zinc, 80% for lead, 90% for copper, 85% for silver and 80% for gold or 85% for AuEq. Metallurgical recoveries will be adjusted with future metallurgical testing. AuEq = (Au g/t * 0.8) + (Ag g/t * 0.012) + (Cu% * 1.48) + (Pb% * 0.44) + (Zn% * 0.63).*

The reporting of the updated Mineral Resource Estimate complies with all current disclosure requirements for mineral resources set out in the NI 43-101 Standards of Disclosure for Mineral Projects. The classification of the revised mineral resource is consistent with current CIM Definition Standards - For Mineral Resources and Mineral Reserves (2014). Using a cut-off grade of 0.50 g/t AuEq, Armitage estimates that the Rock & Roll deposit contains 2.02 million tonnes of 0.71 g/t Au, 87.1 g/t Ag, 0.23% Cu, 0.23% Pb, and 0.98% Zn for a contained total of 46,000 oz gold, 5,643,000 oz silver, 10.2 million pounds ("Mlb") copper, 10.2 Mlb lead and 43.5 Mlb zinc. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

Corporate Outlook

The Company began trading on the CSE Exchange on January 15, 2019 with sufficient working capital to finance its 2019 exploration season and its overhead expenses through the ensuing year. During the 2019 drilling season, the Company drilled 8 holes totaling 2,622m, for which all assay results are pending.

The Company completed its primary exploration objectives that were set out in the Company's non-offering prospectus in late 2018 as follows:

- completed the recommended Phase 1 work program according to the Company's 43-101 Technical Report, estimated to cost $300,000 (since divided into Phases 1 and 2);
- Map and sample the Property, including 25 new additional contiguous claims staked by the Company to generate further targets of interest; and
- completed the recommended 2,500m Phase 2 drill program set out in the Technical Report (since renamed as Phase 3).

Once assay results are received and analysed, disclosures will be made, and the exploration team can begin strategizing follow-up work programs for 2020, a process expected to last through the winter.

The Property's location in BC's Golden Triangle offers an exciting, historic region for exploration and mining development. According to the 2018 BC Mineral and Coal Exploration Survey, completed jointly by the Government of British Columbia, the Association for Mineral Exploration, and Ernst and Young LLP, $165 million was spent on mineral exploration in the Golden Triangle in 2018, representing 50% of all exploration expenditures in B.C. Management is optimistic about the Company's future, given the encouraging historical drilling results on the Property which present opportunities to potentially expand the Black Dog Deposit and discover new zones of mineralization.

No extraordinary circumstances have or are expected to have any effect on the Company's operations outside the normal risks inherent in the global economy. Global growth has been slow and steady, which is generally good for commodity prices. However, recent global trade disputes are threatening the global economic outlook with a consequential increase in precious metals prices, a very good sign for an early stage exploration company. Gold has recently declined off a record high in Canadian dollars of $2,000/oz and was trading at US$1,460/oz or about $1,940/oz on the date of this MD&A. Importantly, gold has broken out of its five-year trading range of US $1,100/oz - $1,350/oz.

The Rock & Roll Property

The Property consists of 39 wholly-owned contiguous mineral claims totaling 21,955 Ha in the Liard Mining Division of British Columbia, situated in the lower Iskut River valley in northwestern BC and centered at 50^{o} 43' north latitude and 131^{o} 12' west longitude. The Property is accessed from the AltaGas Hydroelectric Facility road located 25 km up the Iskut River Valley. No roads yet exist on the Property but Seabridge Gold is in the preliminary planning stages for a road that extends to the Bronson Mining Camp, 7 km from the Property. Three of the most recently staked claims were staked in the northwestern extension, located north of the Iskut River, due to their location within the favorable Stuhini Group Geology which hosts the Company's Black Dog Deposit. This high, mountainous terrain has seen limited geological work but remains highly prospective due to the rapid glacial retreat of the Hoodoo and Twin Glaciers.

Costs incurred on the Property are capitalized under Exploration and evaluation assets and during the six months ended September 30, 2019 costs of $1,197,216 were incurred, including $1,013,284 for drilling, helicopter support and field camp accommodations, and $19,383 for staking and acquisition of new mineral claims.

In March 2018 the Company first acquired a 100% interest in 14 contiguous mineral claims comprising 4,723 Ha from the previous owners, Equity Exploration Consultants Ltd. ("Equity"), for $50,000 cash (paid) and 800,000 common shares of the Company (issued). The Company then staked 25 additional contiguous mineral claims totaling 17,233 Ha between June 2018 and July 2019.

The initial 14 claims acquired from Equity are subject to a 2% net smelter return ("NSR") royalty, held by a group of 6 parties. The Company received an option to purchase one-half of the 2% NSR ("NSR Buyout Option") whereby a future payment of $2,000,000 would be made to the royalty holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier. The NSR Buyout Option was granted by the issuance of 300,000 common shares (issued at a fair value of $75,000) to the group of royalty holders within three days of the listing of the Company's shares for trading on the CSE Exchange.

Property Geology

The Property hosts a precious metal-rich volcanogenic massive sulphide ("VMS") deposit that displays similarities to other precious metal-rich deposits such as Eskay Creek, Greens Creek, and other deposits in the Cordillera. VMS deposits are syn-volcanic accumulations of sulphide minerals that occur in geological environments characterized by submarine volcanic and sedimentary rocks. The VMS deposits are commonly spatially related to syn-volcanic faults, paleotopographic depressions, rhyolite domes, caldera rims and sub-volcanic intrusions, suggesting a genetic link to volcanic processes (Lydon, 1990).

Specifically, the Property hosts an Ag-Au-Zn-Cu-Pb deposit which has been partially delineated by 103 historic drill holes totalling 13,155m, all by previous operators. The deposit comprises multiple massive sulphide lenses containing pyrrhotite, pyrite, chalcopyrite and sphalerite and has a surface projection of 600m by 150m. Mineralization is hosted by graphitic argillite and siltstone representing a basin within a package of volcanic and sedimentary rocks that have been intruded by voluminous mafic to intermediate dykes. The Black Dog Zone fits in with a broad group of submarine, volcanic associated Ag-Au-Zn-Cu massive sulphide deposits. A secondary zone called the SRV Zone, outside of the NI 43-101 pit design, shows similar geology and mineralization to the Black Dog Zone. Age dating completed recently by the B.C. Geological Survey has designated the Black Dog mineralizing event to an age of about 210 million years, which is correlative with the historic Granduc mine located 78 km southeast (Mihalynuk, 2018).

Exploration – current period:

The Company completed its exploration objectives in 2019, as set out in the Company's updated Technical Report. The Technical Report suggested that exploration on the Property should focus on the discovery of additional massive sulphide resources outside the currently defined resources of an area known as the Black Dog Zone. Metallurgical testing for the purpose of upgrading the existing Black Dog resource estimate to the Indicated Category was also recommended. With this aim in mind, the Technical Report outlined a $2 million comprehensive exploration program in two phases. The first phase program would include geological and geochemical surveying along strike from the Black Dog Zone and a detailed interpretation of the 2009 airborne geophysical survey. Contingent upon favourable results from Phase I, a follow up Phase II drill program comprising 2,500 metres in 10-12 drill holes was proposed to test both existing and newly developed targets for additional massive sulphide mineralization, accompanied by baseline environmental studies, initial metallurgical testing and community consultation.

In April 2019, the Company began its Phase I exploration program on the Property, to assess the existing geological setting and confirm trends that may define extensions or fold repetitions of the Black Dog Horizon. The Company conducted a biogeochemical orientation survey (the "Survey") to test the effectiveness of bio-geochemical (bark) sampling to identify elevated pathfinder elements in areas with thick overburden where traditional soil sampling is ineffective. Biogeochemical surveys are growing in use world-wide over the past number of years and have proven to be able to identify overburden-covered mineralization that have led to material discoveries in Canada, Australia, and elsewhere around the globe. Trees are abundant, easy to sample, and provide reproduceable results. A total of 58 bark samples were collected, including duplicates. The distribution of sampling was designed to test known mineralized and barren areas surrounding the Black Dog Deposit. The sampling was broken down to 17 samples across the exposed massive sulphide deposit, 19 samples across a projection of the favorable stratigraphy (1.2 km south of the exposed massive sulphide), and 22 samples in a remote area 1.7 km northwest of the exposed massive sulphide.

The Survey succeeded in identifying anomalous elements overtop of the Black Dog Deposit as well as expected low results in known areas of low mineralization. Selected pathfinder elements show a wide range with maximum values 12 to >2000 times detection limits and up to 19 times the average values. This shows a clear and robust difference between anomalous and background values in the sampling. All duplicates yielded results within 0.2 standard deviations of the original value, except for gold, which yielded more erratic duplicates. Very elevated single elements and combined standardized elements clearly identify both the exposed massive sulphide deposit as well as the favorable stratigraphy to the south.

An initial structural analysis was also performed over the sampling area and combined with a review of the historic information by the geological team and technical advisors, a more complex structural history exists than previously thought, leading to potential offsets and fold repetitions of the exposed Black Dog Zone.

On June 4, 2019, a Phase II 12-day follow-up biogeochemical sampling program began. Based on the proven validity of the bark sampling technique in identifying known mineralization a larger and more intensive program was put in place. The 5-person exploration team collected a total of 429 samples across a 27 km^2 area, covering all projections of favorable stratigraphy. Concurrently, focused structural measurements were taken to help understand the structural complexity of the property. The programs helped the Company's exploration team to prioritize geophysical anomalies for drill testing, as well as highlight a handful of new previously unidentified geochemical anomalies.

Secondary to the bark sampling program, a first pass site visit was made on certain prioritized areas of the recently staked claims contiguous to the original Property. A total of 101 rock samples were collected across multiple areas including Hoodoo West and Hoodoo North as well as at the historic Black Dog Zone. These areas include previously recorded mineral occurrences to the northwest of Hoodoo Mountain and west of Crystal Lake Resources' Newmont Lake Project.

One additional day was spent on July 22, 2019 with Dr. Peter Lightfoot to investigate a gabbroic intrusion located at Hoodoo North for possible magmatic nickel sulfide potential. His findings outline the next steps in mapping the full extent of the intrusion as well as obtaining Petrographic thin sections on the most mafic-looking gabbros.

On August 16, 2019, following the Phase II ground sampling program, a Phase III campaign began, with a goal to drill 2,500m in 8-10 holes. Following the previous recommendations, the exploration team put forward 13 prioritized drill collar locations across the southeastern portion of the property. Target priority was based primarily on geophysical data that was extracted from the 2009 Airborne EM-Mag survey paid for by Pacific North West Capital Corp. These targets were further supported by bio-geochemical bark results as well as known geological structures to bolster each target's priority.

Two collar locations (SRV, Ziggy) each with two drill holes, were used to test downdip and along strike extension of the Black Dog horizon through the SRV Zone. Both holes were located outside of the inferred resource and looked to extend the size of the deposit by 400m along strike and 100m down dip.

Another drill hole (White Swan) located 1,800m southeast of the Black Dog Zone was designed to test a strong electromagnetic conductor similar to the Black Dog Deposit. This target was further enhanced due to its existence along strike from the Black Dog Horizon in favourable geology for hosting more VMS style lenses.

Another drill target (Angie) is located on the north side of the Iskut River and was tested with two drill holes from a single pad location. The holes were designed to test another strong electromagnetic conductor coincident with a low magnetic response similar to the Black Dog Horizon. This conductor is also located along strike in favourable stratigraphy with supporting biogeochemical anomalies.

The final hole drilled in the program was from the Roxanne site that represented a moderate electromagnetic conductor associated with favourable bio-geochemical (bark) anomalies. Geologically, its location also lay along strike from the Black Dog Deposit.

In total, 2,622m were drilled in 8 different holes from 5 different site locations. This slightly exceeded the recommendations put forth from the previous Technical Report. See Table 2 below for details on each hole's location and depth.

Table 2- 2019 Drill hole summary:

Hole ID	Name	Easting	Northing	Elevation	Azimuth	Dip	Length (m)
RR19-01	SRV	363521	6287725	165	41	-45	325
RR19-02	SRV	363521	6287725	165	60	-48	311
RR19-03	White Swan	364205	6286159	60	50	-50	415
RR19-04	Ziggy	363727	6287525	177	70	-45	327
RR19-05	Ziggy	363727	6287525	177	70	-70	228
RR19-06	Angie	361954	6289493	116	5	-70	339
RR19-07	Angie	361954	6289493	116	30	-60	354
RR19-08	Roxanne	364204	6287161	63	70	-70	323
						Total (M)	2622

During the 2019 drilling season the Company cleared a total of 5 sites on the Property for 4 helicopter pads and 5 drill pads which accommodated the 8 holes drilled. All pre-existing pads built prior to 2019 had been previously reclaimed. Two of the newly constructed pads were reclaimed with all the lumber removed and repurposed. The remaining 3 sites will be reclaimed or reused next year based upon the results from the exploration and drilling done in 2019.

Aside from the drill program, the team spent multiple days densifying the previous bark sampling by taking 47 additional bark samples in high priority areas of the Property to improve the resolution of the data. Two days of reconnaissance mapping and sampling were also done on the northern extended claim block, adding another 41 rock samples taken on the property.

Assays are pending for all the Phase III drilling and sampling and will be released after receiving, verifying and analyzing the data.

Sugar Property

During the current period, the Company staked 10 contiguous mineral claims totaling 4,508 Ha at a cost of $7,889 which is capitalized to Exploration and evaluation assets. The group of claims lie in the Liard Mining Division and is known as the Sugar Property ("Sugar"), located approximately 7 km northwest of the Rock & Roll Property and 25 km southwest of the Galore Creek deposit. No drilling has ever been done on the property. The decision to stake the claims followed an extensive review and technical analysis of historical data available, including but not limited to, past Assessment Reports and publicly available B.C. Minfiles.

Past mapping on the property has outlined multiple Texas Creek intrusive units that are commonly associated with important copper and/or gold deposits within the Golden Triangle including Galore Creek, KSM copper-gold deposit and Pretium's Brucejack (Valley of the Kings) gold deposit.

Sugar includes several types of copper and copper/zinc occurrences which are mainly associated with skarns and/or quartz veins/stockworks. A 4 km long mineralized skarn, a nearby, copper-bearing quartz vein stockworks and a prominent gossan have been located on Sugar. Historic rock samples have returned numerous results greater than 1% copper and 5% Zinc. All the available data is being incorporated into a detailed GIS compilation in order to assess the potential and guide further work on the property.

Exploration – current period

Exploration on the Sugar property in 2019 was limited to 1 day of reconnaissance mapping and sampling. 16 rock samples were collected by a team 4 geologists. These samples were focused in areas of known mineralization. Carbonaceous units were identified in the areas of skarn mineralization as well as large intrusive bodies near some of the major quartz veining. Continued exploration is needed to outline the sources of the multiple copper and zinc anomalies and assays are still pending for the 16 rock samples.

Community Relations

In February 2019, the Company entered into a Communications Agreement with the Tahltan Central Government ("TCG"), the administrative body of the Tahltan Nation, located in northwest British Columbia, whose traditional territory encompasses all the Property. The TCG protects Tahltan Aboriginal rights and title, the ecosystems and natural resources of the Tahltan traditional territory by managing sustainable economic development and supporting the cultural wellness of the Tahltan community. The agreement establishes a solid framework and collaborative working arrangement between the parties, based on open dialogue, transparent communications and mutual co-operation with regards to the company's exploration activities on the Property. The agreement also offers opportunities for cultural, economic and educational support for Tahltan members. For more information about the TCG, visit www.tahltan.org.

QA/QC and Analytical Procedures

The Company has adopted a rigorous quality assurance and quality control ("QA/QC") program to ensure best practices in sampling both diamond drill core and surface rock chip samples of approximately 1 kg in weight. NQ drill core is flown from drill site to the core shack facility where it is sampled at 1-3m intervals. The samples are then half cut and one half is sent to the prep facility in Terrace via reputable expeditor. Once in Terrace, intervals of half NQ drill core are crushed to 70% pass 2mm fraction, and then a 250g split was pulverized to better than 85% passed a 75-micros screen. The geochemical analyses are being performed by ALS Limited in Vancouver using multi-element aqua-regia digestion ICP-MS package (ME-MS41). Gold is analyzed by fire assay technique Au-ICP21. Higher gold grades (>3 g/t) analyzed by fire assay and gravimetric finish. ALS Limited is a global testing, inspection and certification business with facilities and laboratories in dozens of global locations, which is an ISO/IEC 17025:2005 accredited laboratory independent of the Company. In addition to ALS's internal QAQC program, the Company inserts 10% duplicates into the overall sampling stream.

Selected Annual Financial Information

The following table provides a brief summary of the Company's annual financial operations since incorporation:

	For the year ended March 31, 2019	For the period from incorporation on July 1, 2017 to March 31, 2018
Total assets	$ 1,625,640	$ 521,474
Total liabilities	$ (56,564)	$ (47,510)
Shareholders' equity (deficiency)	$ 1,569,076	$ 473,964
Major operating expense items		
Consulting fees	$ 204,000	$ 30,000
Professional fees	$ 78,975	$ 29,590
Regulatory and transfer agent fees	$ 29,284	$ 483
Share-based compensation	$ 430,585	$ -
Net loss	$ (748,085)	$ (61,036)
Basic and diluted loss per share	$ (0.04)	$ (0.02)

Analysis of annual cash flows:

During the year ended March 31, 2019, the Company raised a total of $1,379,500 from private placements, incurred issuance costs of $888 and rescinded $41,000 of subscriptions, for a net inflow of $1,337,612 from private placements. All financings were completed before the Company's shares were listed for trading on January 15, 2019 and were issued at $0.25 per unit, with each unit consisting of one common share and ½ share purchase warrant exercisable for 2 years at $0.50 per share. No finder's fees were paid.

The Company spent $86,839 on the Property, consisting of new claims acquisition fees of $16,630, $20,779 for community relations and the balance of $49,431 on fieldwork and geological consulting. A reclamation deposit of $20,000 was lodged with the BC Ministry of Mining, which secured an exploration permit valid until 2024. The Company spent $11,227 on computer and office equipment. Operating cash used was $326,363 including $174,000 for consulting fees, $66,975 on professional fees and $21,175 on regulatory and transfer agent fees, which together comprise 80% of operating cost disbursements. As a result of all these cash flows, the net cash increased $893,183 during the year to end the year at $1,276,494.

In its initial period from incorporation July 1, 2017 to March 31, 2018, the Company raised a total of $455,000 from private placements. No finders' fees were paid. The Company spent $50,000 for the cash portion of the Property acquisition and paid $5,250 to update the Technical Report on the Property. After operating costs of $21,189, the Company had cash and cash equivalents at March 31, 2018 of $383,311.

Analysis of annual operating results:

For the year ended March 31, 2019, a net loss of $748,085 was incurred, compared to a loss of $61,036 for the initial period from incorporation on July 1, 2017 to March 31, 2018. The net loss was comprised of operating costs of $769,643 (2018 - $61,096) and interest income of $21,558 (2018 - $60). The interest primarily came from the Company's investment of its cash reserves in a fully redeemable bank GIC. Before share-based compensation of $430,585 (2018 - $nil), the operating expenses are $339,058 (2018 - $61,096), as detailed in the statements of operations and comprehensive loss. Consulting fees were $204,000 (2018 - $30,000) including $157,500 (77%) to four officers of the company. The CEO works full time for the Company while the CFO, Corporate Secretary, Executive Chairman and V.P. of Exploration work less than full-time for the Company. The other key components of operating expenses were professional fees of $78,975 (2018 - $29,590) and regulatory and transfer agent fees of $29,284 (2018 - $483), which together with consulting fees comprise 92% (2018 – 98%) of operating costs, not including share-based compensation. Higher professional and regulatory and transfer agent fees in 2019 reflect the efforts and work done to list the Company's shares on the CSE Exchange, including an audit, financial statement and prospectus review engagements, legal fees, and various listing and share issuance fees. The Company has not engaged an investor relations consultant and currently the CEO communicates with investors and shareholders. The Company subleased a small office of 440 sq. ft. on September 1, 2018 for a period expiring in December 2019, at a rate of $1,546 per month.

Share-based compensation reflects the estimated fair value of stock options granted by the Company pursuant to the Black-Scholes option pricing model. One of the model's inputs is the volatility of the Company's share price. Since the options were granted on or subsequent to the Listing Date, as to 1,500,000 at $0.25 per share granted on January 15, 2019, 335,000 at $0.25 per share granted on January 21, 2019, and 50,000 granted at $0.28 per share on March 15, 2019, all for a five-year period, there was insufficient trading in the newly listed Etruscus shares up to March 31, 2019 to yield a mathematically accurate volatility. Accordingly, management used market comparables by averaging the disclosed volatilities of a group of 11 similar mineral exploration companies, to establish Etruscus' initial volatility at 150%.

The following parameters were used for determination of fair value of the option grants described above:

Risk-free interest rate	1.61% – 1.93%
Expected life	5 years
Annualized volatility	150%
Forfeiture rate	0%
Dividends	0%

In its initial period from incorporation July 1, 2017 to March 31, 2018, the Company incurred a net loss of $61,036, consisting mainly of consulting fees of $30,000 and professional fees of $29,590. The Company began operations in the second half of 2017 with a seed capital private placement raising $15,000. Then, during the quarter ended March 31, 2018 (which is the Company's final quarter of the fiscal year, or "Q4 2018"), the Company raised $440,000 which allowed it to acquire a property of merit and initiate the process of going public. All the officers were also appointed in Q4 2018. Consequently, all material expenses of the Company in its initial fiscal year occurred during the final quarter, consisting of legal and audit expenses and consulting fees mostly paid to related parties.

Selected Quarterly Financial Information

	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019	Three Months Ended December 31, 2018
Total assets	$2,016,280	$1,522,049	$1,625,640	$1,642,170
Total liabilities	(589,667)	(24,173)	(56,564)	(63,926)
Shareholders' equity	1,426,613	1,497,876	1,569,076	1,578,244
Major operating expenses:				
Consulting fees	54,450	62,000	54,000	45,000
Professional fees	-	-	12,363	31,028
Share-based compensation	-	-	430,585	-
Regulatory and transfer agent	4,219	2,251	10,797	10,752
Net income (loss)	(71,263)	(71,200)	(514,753)	(88,630)
Earnings (loss) per share- basic and diluted	(0.00)	(0.00)	(0.03)	(0.00)

	Three Months Ended September 30, 2018	Three Months Ended June 30, 2018	Three Months Ended March 31, 2018	Three Months Ended December 31, 2017
Total assets	$1,652,999	$1,702,252	$ 521,474	$ 14,910
Total liabilities	(20,125)	(12,686)	(47,510)	(1,071)
Shareholders' equity	1,632,874	1,689,566	473,964	13,854
Major operating expenses:				
Consulting fees	45,000	60,000	30,000	-
Professional fees	15,179	20,405	29,590	-
Regulatory and transfer agent	-	7,735	100	383
Share-based compensation	-	-	-	-
Net income (loss)	(56,692)	(88,010)	(59,890)	(1,055)
Earnings (loss) per share- basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)

Results of Quarterly Operations

In the following discussion of the results of operations, the quarterly periods are referenced as follows:

Three-month period ended September 30, 2019: Q2 2020
Three-month period ended June 30, 2019: Q1 2020
Three-month period ended March 31, 2019: Q4 2019
Three-month period ended December 31, 2018: Q3 2019
Three-month period ended September 30, 2018: Q2 2019

Six months ended September 30, 2019 compared to six months ended September 30, 2018:

For the current six-month period, the Company incurred a net loss of $142,463 (2018 - $144,702), composed of consulting fees of $116,450 (2018 - $105,000), professional fees of $nil (2018 - $35,584) and other income and expenses of $26,013 (2018 - $4,118). Consulting and professional fees comprise 82% (2018 - 97%) of the net loss. Consulting fees rose 11% compared to 2018, a slight increase concurrent with the work required by a public company, and reflecting the fact that the Company's officers, who perform most of the work, have been doing so since the beginning of the comparative period. Professional fees incurred in 2018 were all legal costs and reflect the pre-public work done ahead of the Company's shares being listed on the CSE.

The other income and expenses reflect the fact that the Company rented its first office in September 2018, so the comparative period had very low administrative costs. The current period shows the costs of having an office and being a public company, mainly rent of $8,618 (2018 - $1,494), office and general expenses of $9,915 (2018 - $3,658), depreciation of $7,097 (2018 - $648) and regulatory and filing fees of $6,470 (2018 -$7,735), offset by net finance income of $9,100 (20148 - $9,633), which together comprise 88% (2018 – 95%) of other income and expenses of $26,013 (2018 - $4,118) as noted above.

During the six-month period ended September 30, 2019, the Company did not undertake any financings. It did spend $729,774 (2018 - $14,787) on exploration and it spent $184,370 (2018 - $183,785) on operations. In the comparative period the Company raised $1,304,500 from a private placement. Accordingly, the current period saw a decline in cash of $906,889 while in the 2018 comparative period cash rose $1,103,785.

Three months ended September 30, 2019 compared to three months ended September 30, 2018:

The Company had a net loss of $71,263 (Q2 2019 - $56,692) in the quarter. The net loss is composed of operating expenses of $73,783 (Q2 2019 - $64,809) and net finance income of $2,520 (Q2 2019 - $8,117). Operating expenses include consulting fees of $54,450 (Q2 2019 - $45,000) and professional fees of $nil (Q2 2019 - $15,179), which together represent 74% (Q1 2019 – 93%) of the net loss. Professional fees incurred in Q2 2019 were 100% attributable to the pre-public non-offering prospectus that was being prepared during the comparative period. Other operating expenses include amortization, advertising, marketing and promotion, office and general, rent, trustee and filing fees and travel, as outlined in the Company's condensed interim statements of operations and comprehensive loss, which total $19,333 (Q2 2019 - $4,630) The increase in these other operating costs in the current period reflect the costs of the Company as a public company and having a physical office, compared to last year when it was a private company without an office.

In the current quarter, the Company spent cash of $572,020 (Q2 2019 - $11,012) on its properties, almost all of which was for exploration except for acquisition costs of $1,084 (Q2 2019 - $nil). The Company also spent cash of $64,736 (Q2 2019 - $53,115) on operations. The Company did not have any cash inflows from equity financing activities in the current or comparative periods. Equipment purchases were $9,266 (Q2 2019 - $10,720) and the Company received $17,581 (Q2 2019 - $6,601) of finance income . The total net cash outflows during the period were therefore $628,441 (Q2 2019 - $68,246).

Three months ended September 30, 2019 compared to three months ended June 30, 2019:

The Company had a net loss in the current period of $71,263 compared a loss of $71,200 in the prior period. Although almost identical, the items comprising the net loss do show greater differences. The largest differences were consulting fees of $54,450 (Q1 2020 - $62,000), depreciation of $6,033 (Q1 2020 - $1,064), and net finance income of $2,520 (Q1 2020 - $6,580). Each other expense category differed with the comparative amount by less $2,000, either higher or lower than the prior period. Overall, the corporate operations, personnel and business functions were materially the same over the periods. Although in the current quarter the Company entered into a long-term lease agreement resulting in the recognition of balance sheet assets and liabilities, the net effect of the lease accounting on the financial statements in the current period was only a $479 net increase in loss.

Going forward, management expects its operating costs will be approximately $65,000 per quarter over the ensuing year.

The Company spent $572,020 on its properties in the current period and $157,754 in the previous period, as most of the field work was done in the current period. The Company spent $64,736 on operations compared to $113,054 in the prior period, a reduction of $48,318. The prior period includes amounts paid that were already owing to related parties of $31,500, which accounts for 65% of the operations outflow differential. Overall in the current period, cash and cash equivalents declined $628,441 while the decline in the prior period was $278,448.

Change of auditor

In late April 2019, the Company changed its auditors from Davidson & Company LLP (the “Former Auditor”) to Manning Elliott LLP (the “Successor Auditor”). There were no reservations in the Former Auditor’s audit report for the most recent audited financial statement at the time, which was for the initial fiscal period from incorporation on July 1, 2017 to March 31, 2018. In accordance with NI 51-102 – Continuous Disclosure Obligations, the Company filed a Change of Auditor Notice (the “Notice”) on SEDAR together with letters from both the Former Auditor and Successor Auditor, with each letter confirming agreement with the statements contained in the Notice, as applicable. There were no reportable events as defined in NI 51-102 between the Former Auditor and the Company. The board of directors had decided to change auditors and removed the Former Auditor, appointing the Successor Auditor as the Company’s auditor, until the next Annual General Meeting of the Company.

New accounting policies

IFRS 16:

A new standard on leases supersedes IAS 17, *Leases*, and related interpretations and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for fiscal years beginning on or after January 1, 2019 and was therefore adopted by the Company as at April 1, 2019. Its purpose is to report information that faithfully represents lease transactions and provides financial statement users with a base to assess the amount, timing, and uncertainties of cash flows arising from leases. The main effect of IFRS 16 is the introduction of a single lessee accounting model requiring a lessee to recognize assets and liabilities for almost all leases, effectively eliminating the off-balance sheet treatment of many leases that were historically classified as operating leases.

At inception, the Company assesses whether a contract is or contains a lease. The assessment involves the exercise of judgment about whether the lease depends on a specified asset, whether the Company obtains substantially all the economic benefits for the use of that asset during the lease term, and whether the Company has the right to direct the use of the asset. If the lease contains an extension option that the Company considers reasonably certain to be exercised, the term of lease for the purpose of adopting IFRS 16 becomes the base lease plus the renewal option, including any associated costs. If the lease includes a purchase option, the cost of the purchase is included in the calculation of lease payments. Lease payments may be structured to include fixed and variable components, and only non-index linked variable payments are excluded from IFRS 16, which would be accounted for on an expense-as-incurred basis.

Once the leases and their costs and terms are identified, the Company recognizes a right-of-use ("ROU") asset and a lease liability at the commencement of the lease. The ROU assets are included in Property and equipment, and the lease liability is included in current and non-current liabilities. The lease liability recognized upon lease inception represents the present value of the net remaining lease payments, discounted at an interest rate otherwise required if the asset was acquired through a financing arrangement, using the effective interest method. Lease liability is subsequently reduced by the lease payments made and increased by the interest cost on the liability. The ROU assets are initially measured based on the present value of the lease payments not yet made at the date of adoption, plus initial direct costs and obligations to refurbish the asset, less any incentives received. The ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU assets are subject to testing for impairment if there is an indicator for impairment. Lease expenses which used to be recorded as operating expenses are now be accounted for as interest expense, depreciation, and operating expenses.

If and when a company subleases a ROU asset, it classifies the sublease as an operating lease if the head lease is a short-term lease and generally otherwise as a finance lease. When the sublease is classified as a finance lease, the lessor derecognizes the ROU asset pertaining to the head lease that it transfers to the sublessee, at the sublease commencement date, but continues to account for the original lease liability. The sublessor recognizes a net investment in sublease and evaluates it for impairment and may use the discount rate in the head lease to measure the net investment in sublease. The Company recognizes finance income on the net investment in the lease, and also records income relating to variable lease payments not included in the measurement of the net investment in the lease.

Impact of IFRS 16 on Etruscus:

The Company signed an office sublease agreement effective September 1, 2018 at a rate of $1,546 per month expiring in December 2019. The Company has no other material equipment or service leases. The adoption of IFRS 16 on April 1, 2019 applied to the office sublease and when applying IFRS 16 for the first time, the Company considered the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with similar characteristics;
- accounting for operating leases than have remaining terms of less than 12 months as at April 1, 2019;
- the exclusion of low-value leases;
- the use of hindsight to determine lease terms where contractual rights exist to extend or terminate; and
- the exclusion of initial direct costs in the measurement of ROU assets at the date of adoption.

Accordingly, the Company elected not to recognize the sublease ROU assets or the lease liability because the total remaining lease term, at the time of adoption, was less than 12 months. The Company also elected, for certain low-value assets, to treat them as operating leases and to expense as incurred. The payments for such short-term and low-value leases are recognized in the statement of operations and comprehensive loss on a straight-line basis over the lease term, within operating costs. In addition, there were no adjustments required upon adoption of IFRS 16 for finance leases, as the Company did not have any leases previously classified as such on March 31, 2019. Consequently, there no was impact to the Company's financial statements on the date of adoption of IFRS 16.

On July 1, 2019, the Company entered into a premises sublease for a three-year period which is not considered a low-value lease, and accordingly IFRS 16 applies to the sublease. The sublease terms follow those of the head lease. The lessor is Metallis Resources Inc. ("MTS"), a public company related by two common directors and a common officer. The sublease is for ½ of the space leased by MTS under a head lease. The sublease has fixed monthly lease payments of $1,688 per month. The lease liability was measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate of 8%, the same discount rate (8%) used by MTS for its head lease when it applied IFRS 16. The lease liability is amortized over the lease term following the effective interest method. At sublease inception, the Company has recognized a lease liability of $54,210 and a corresponding ROU asset value of the same amount. Leasehold improvement costs of $6,617 were also recorded as ROU assets. The lease liability is allocated into current and long-term portions at the end of each reporting period.

The following tables show the impact and effects of IFRS 16 on the Company's condensed interim financial statements, including reconciliations of assets and liabilities as at the date of adoption on April 1, 2019, as at September 30, 2019, and for the period ended September 30, 2019. A further table, "Rent and non-finance lease transactions for the six-month period ended September 30, 2019", shows the effects of leases which have a component of variable costs which are not related to an index or a rate and therefore do not fall under the reporting requirements of IFRS 16, and are expensed or credited to the statements of operations and comprehensive loss, as applicable.

The lease liability and its short and long-term portions as at September 30, 2019 are shown in the following table:

Balance at inception	$ 54,210
Lease payments	(5,063)
Amortization of discount	1,024
Balance, end of period	$ 50,171
Short-term portion of lease liability	$ 16,985
Long-term portion of lease liability	33,186
Balance, end of period	$ 50,171

Effects of IFRS 16 on the Company's condensed interim financial statements:

	Date of adoption April 1, 2019	As at September 30, 2019	Six-months ended September 30, 2019
Statements of financial position:			
Property and equipment- Right of use asset	$ -	$ 49,692	$ 49,692
Current liabilities	-	(16,985)	(16,985)
Long term liabilities	-	(33,186)	(33,186)
Deficit	-	479	479
	$ -	$ -	$ -
Statements of operations and comprehensive loss:			
Operating expenses:			
Increase in depreciation			$ 4,518
Decrease in rent expense			(5,063)
Net decrease in operating expenses:			(545)
Other: Increase in finance expense			1,024
Net increase in loss for the period			$ 479

Rent and non-finance lease transactions for the six-month period ended September 30, 2019:

Variable lease costs not included in finance leases, and other rent from short-term leases, all recorded as rent expense	$ 8,618

Maturity analysis of lease liability and lease payment reconciliation, for the years ended March 31:

	2020	*2021*	*2022*	*2023*	*Total*
Undiscounted lease payments payable	$ 17,445	$ 34,891	$ 34,891	$ 8,723	$ 95,950
Variable cost portion (rent expense)	(7,320)	(14,641)	(14,641)	(3,660)	(40,262)
Undiscounted finance lease payments	10,125	20,250	20,250	5,063	55,688
Finance expense	(1,802)	(2,574)	(1,107)	(34)	(5,517)
Net lease liability	$ 8,323	$ 17,676	$ 19,143	$ 5,029	$ 50,171
As at September 30, 2019:					
Lease liability- short term	$ 8,323	$ 8,662	$ -	$ -	$ 16,985
Lease liability- long term	-	9,014	19,143	5,029	33,186
Net lease liability	$ 8,323	$ 17,676	$ 19,143	$ 5,029	$ 50,171

Use of judgements and estimates

In preparing the Company's condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty for the period ended September 30, 2019, as detailed below, were the same as those described in the annual financial statements for the year ended March 31, 2019, except for new significant judgements related to lessee accounting under IFRS 16. These new judgements primarily included evaluating the appropriate discount rate to use to discount the lease liabilities, the determination of the lease term, and assessing if the Company was reasonably certain that it would exercise any lease renewal option. Significant judgements, estimates and assumptions regarding these factors affect the present value of the lease liabilities, the value of the right-of-use assets, and the amounts of finance expense and depreciation.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The carrying value of the investment in exploration and evaluation costs and the recoverability of the carrying value which are included in the statement of financial position;

b) The Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company's title. Properties may be subject to prior agreements or transfers and title may be affected by undetected defects;

c) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;

d) The inputs used in accounting for share-based compensation expense in the statement of operations and comprehensive loss, including share price volatility and risk-free interest rates;

e) The significant judgements, estimates and assumptions made by management as they relate to IFRS 16 - Leases, primarily include evaluating the appropriate discount rate to use to discount the lease liability, the determination of the lease term when the lease contains an extension option, and assessing if the Company is reasonably certain that it would exercise an extension option; and

f) The assumption that the Company is a going concern and will continue in operating for the foreseeable future and at least one year is a judgment.

Liquidity and capital management

The Company has no commercial operations or source of revenue, no long-term debt other than a lease liability, and no externally imposed capital requirements other than those specified under continuous listing requirements. The Company's capital is, at this time, its issued share capital. The capital for operations and property exploration has and is expected to come from the issuance of common shares or units for the foreseeable future. The Company's objectives when managing its capital are to fund critical exploration work, meet its on-going liabilities, continue as a going concern, maintain creditworthiness by maintaining capital balances over the periods to alleviate unexpected cash flow shortfalls, and to ultimately maximize returns for shareholders over the long term. In that regard, the Company is planning to announce, in the short term, a private placement financing to eliminate the current working capital deficiency, and, if necessary, additional private placements are expected to be undertaken to finance the Company’s 2020 exploration and overhead expenses over the ensuing year. Meeting capital management objectives, as a non-revenue early stage explorer, requires the Company consider its company’s internal, exploration and financing risks at any particular time, as its weighs different courses of action.

The Company's working capital deficiency as at the date of this report is $284,000 as follows:

Current working capital:		(000's)
Cash and cash equivalents	$	24
Receivables		6
Accounts payable and accrued liabilities		(98)
Lease liability		(17)
Due to related party		(199)
Total net working capital deficiency	$	(284)

Disclosure of Outstanding Security Data

The total number of common shares outstanding as of the date of this report is 19,394,001 shares, (unchanged from March 31, 2019) and there are 23,976,001 fully diluted shares outstanding.

Share transactions during the period ended September 30, 2019:

On July 15, 2019, 1,500,000 common shares were released from escrow, leaving 7,500,000 shares remaining in escrow.

There were no other equity transactions during the current period.

Share transactions during the year ended March 31, 2019:

On May 10, 2018, a two-tranche private placement was completed for total proceeds of $1,304,500 under which 5,218,000 units were issued at a price of $0.25 per unit. The first tranche of 4,098,000 units closed on April 30, 2018, and the second tranche of 1,120,000 units closed on May 10, 2018. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant may be exercised to acquire one common share at $0.50 per share for a two-year period. In total, there were 2,609,000 share purchase warrants issued under this private placement, for which no value was attributed under the residual value method. Issuance costs of $888 were incurred in connection with the private placement.

In December 2018, certain share subscriptions were rescinded, with the return of funds paid and the return and cancellation of the shares issued. Specifically, on December 12, 2018, the Company rescinded 100,000 common shares initially subscribed at $0.10 per common share, and 124,000 units initially subscribed at $0.25 per unit, for a total rescission of 224,000 common shares and 62,000 warrants, for $41,000.

On December 19, 2018, the Company completed a private placement of 300,000 units at $0.25 per unit for proceeds of $75,000. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant may be exercised to acquire one common share at $0.50 per share for a two-year period. There were no issuance costs associated with this private placement, and no value was attributed to the warrants under the residual value method. The net effect of the December 2018 rescissions and private placement was an increase in cash of $34,000, an increase in total issued shares of 76,000, and an increase in warrants of 88,000.

Warrants:

There are 2,697,000 total warrants outstanding as of the date of this report, unchanged from March 31, 2019. All warrants are exercisable at $0.50 per share for a two-year period.

As at the date of this MD&A, the following warrants are outstanding:

Expiry Date	Number of Warrants outstanding	Exercise Price ($)
April 30, 2020	1,997,000	0.50
May 10, 2020	550,000	0.50
December 19, 2020	150,000	0.50
Total	2,697,000	

Stock options:

At the date of this report, there are 1,885,000 stock options outstanding and exercisable, unchanged from March 31, 2019, as follows:

Expiry Date	Number of Options	Exercise Price ($)
January 15, 2024	1,500,000	0.25
January 21, 2024	335,000	0.25
March 15, 2024	50,000	0.28
Total outstanding options	1,885,000	

Directors, Officers and Management

The directors of the Company are Gordon Lam, Fiore Aliperti, Michael Sikich and Jason Leikam. The officers are Gordon Lam (CEO), Fiore Aliperti (Executive Chairman), Jon Lever (CFO) and Dave Webb (Vice-President of Exploration). Mrs. Sameen Oates resigned as Corporate Secretary on September 25, 2019. The Company did not appoint another Corporate Secretary, but her duties and responsibilities are being managed by the CFO. All the management contracts began in Q4 2018 except the Vice-President of Exploration who was hired in Q4 2019.

The Company also appointed Lindsay Bottomer and David Dupre as the initial two members of its advisory board on January 29, 2019 and Murray Jones as its third member on March 15, 2019. The most recent MD&A issued by the Company for the period ended June 30, 2019 contain the biographies of the advisory board members.

Transactions with Related Parties

The following related parties for the periods presented include directors and key management personnel, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Hatch 8 Consulting is a company controlled by the current Chief Executive Officer and director of the Company, and provides consulting services to the Company;

b) Lever Capital Corp. is a company controlled by the Chief Financial Officer and provides consulting services to the Company;

c) The Company's Corporate Secretary (up to September 25, 2019) provided corporate secretarial, general administrative and bookkeeping services to the Company;

d) Avanti Consulting Inc. is a company controlled by a director of the Company who acts as Chairman of the Board, and provides consulting services to the Company; and

e) DRW Geological Consultants Ltd. is a company controlled by the Company's Vice-President of Exploration and which provides the Company with geological consulting services, the amounts of which are capitalized under exploration and evaluation assets.

The aggregate value of fee-based transactions and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the six-month period ended September 30, 2019	Transactions for the year ended March 31, 2019	**Balance payable as at September 30, 2019**	Balance payable as at March 31, 2019
Hatch 8 Consulting	**(a)**	**$ 45,000**	**$ 67,500**	**$ -**	**$ 7,875**
Lever Capital Corp.	**(b)**	**15,000**	**30,000**	**-**	**7,875**
Sameen Oates	**(c)**	**15,000**	**30,000**	**-**	**7,875**
Avanti Consulting Inc.	**(d)**	**15,000**	**30,000**	**-**	**7,875**
DRW Geological Consultants Ltd.	**(e)**	**24,000**	**8,000**	**-**	**4,200**
Total		**$ 114,000**	**$ 165,500**	**$ -**	**$ 35,700**

For the period ended September 30, 2019, the Company did not grant any stock options. During the year ended March 31, 2019, the Company granted 1,200,000 stock options to directors and officers with a fair value at grant date of $319,200.

Other related party transactions

The Company has also recorded accounts payable to Metallis Resources Inc. ("MTS"), a public company related by two common directors and a common CFO, primarily in respect of exploration expenses paid on the Company's behalf. At no time did MTS loan funds or advance any cash to the Company. The Company utilized some of MTS's exploration subcontractor relationships, mainly involving its work camp arrangements, which the Company did not have in place at the inception of the 2019 field exploration season. For the upcoming 2020 exploration season, the Company expects to have all critical vendor relationships in place and directly pay for all of its exploration expenses going forward.

The Company also leases ½ of an office space from MTS and expects general day-to-day operations to occasionally have administrative receivables or payables due from or to MTS relating to lease costs and shared office expenses.

The following schedule shows the nature of costs incurred by MTS on behalf of the Company, and the amounts repaid:

Amounts due to MTS:

	Paid on behalf of the Company during the six-months ended September 30, 2019	Amounts paid	Balance Payable as at September 30, 2019	Balance Payable as at March 31, 2019
Exploration costs:				
Camp and accommodations	$ 183,032	$ 31,386	$ 151,646	$ -
Helicopter	66,677	41,801	24,876	-
Other exploration	21,765	11,867	9,898	-
Office rent and administration	19,249	15,693	3,556	
Total	$ 290,723	$ 100,747	$ 189,976	$ -

The Company has issued an undertaking to MTS to repay the amounts owing, firstly out of its next financing transaction, and should it be insufficient then the balance will be repaid out of each consecutive subsequent financing transaction until such amounts are repaid.

Off Balance Sheet Arrangements

The Company entered into an office lease agreement in July 2018 which was to expire in December 2019, and which did not contain a renewal option. The lease was treated for accounting purposes as expense-as-incurred. On July 1, 2019 the Company entered into a new long-term lease to which IFRS 16 applies and is therefore recognized on the balance sheet as right-of-use assets and lease liability. The original lease from July 2018 was terminated without penalty or fee. The Company has no other asset or equipment leases or other off-balance-sheet arrangements. Accordingly, as at September 30, 2019 the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on the results of operations or financial condition of the Company.

Risk Factors

The common shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this MD&A and in the Company financial statements, the risk factors described below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Company's common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

No Production History

The Company is a mineral exploration company. There are no known commercial quantities of mineral reserves on any of its resource properties. There is no assurance that the Company will ever discover any economic quantities of mineral reserves.

Limited Operating History

The Company has no history of earnings or revenue and may not achieve commercialization of its resource properties.

Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow and has incurred losses since its incorporation. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on exploration of the properties and on administrative costs. The Company cannot predict when or if it will reach positive operating cash flow.

Possible Trading Suspension or Delisting

The CSE may suspend from trading or delist the securities of the Company where the Company has failed to submit documents to the CSE in the time periods required or has otherwise failed to meet minimum standards. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing a consolidated interim cease trade order against the Company. In addition, delisting of the common shares would result in the cancellation of all the currently issued and outstanding common shares of the Company held by insiders. Trading in the common shares of the Company may be halted at other times for other reasons also.

Requirement for Further Financing

The Company has limited financial resources and must raise additional funds to eliminate its working capital deficiency and carry out continued exploration of its properties. There is no assurance the Company will be able to raise additional funds or will be able to raise additional funds on terms acceptable to it. If the Company's exploration programs are successful and favorable exploration results are obtained, properties may be developed into commercial production. The Company would also require additional funds to place the properties into production. The only sources of future funds presently available to the Company are from the issuance of equity capital, debt, or offering of interests in its resource properties to be earned by another party or parties by carrying out exploration or development work. If funds are available, there is no assurance that such funds will be sufficient to bring any resource property to commercial production. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Company and could cause it to forfeit its interest in its properties and reduce or terminate its operations. The Company had funds to carry out the initial Phases of exploration as recommended in the Technical Report, but future exploration will require additional funding.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, or to raise exploration funds and working capital, shareholders would suffer dilution of their investment and/or control of the Company could change.

Escrowed Shares

The possible sale of common shares released from escrow on each release date could negatively affect the market price of the Company's common shares and result in an excess of sellers of common shares to buyers of common shares and seriously affect the liquidity of the common shares.

Development

The business of exploration for precious metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties. The Company's properties are in the exploration stage.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated its title to its properties for which it holds an option to acquire concessions, royalties or other mineral leases or licenses and the Company is satisfied with its review of the title to its properties, the Company cannot give an assurance that such title will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. The Company does not carry title insurance on its properties. A successful claim that the Company does not have title could cause the Company to lose its rights to its properties, perhaps without compensation for its prior expenditures on its properties.

Resource properties may now or in the future be the subject of indigenous land claims. The legal nature of indigenous land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in its properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of indigenous rights in the area in which the properties are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities.

Surface Rights

The Company does not own the surface rights to its properties. The Company understands that it is necessary, as a practical matter, to negotiate surface access, and the Company is continuing to do so. However, there is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Company. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on a resource property becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that the Company will be successful in acquiring any such rights.

Management

The success of the Company is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the service of its management or other qualified personnel required to operate its business. Directors and officers other than the CEO of the Company may not be devoting 100% of their time to the affairs of the Company but do and will devote such time as required to effectively manage the Company.

Requirement for Permits and Licenses

The Company will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of its properties, and the Company believes it will comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should the Company proceed beyond exploration. There can be no guarantee that the Company will be able to obtain such licenses and permits. It does however currently have a valid BC Mines Act exploration permit, expiring March 31, 2024, for the initial group of 14 Rock & Roll Property claims acquired from Equity in March 2018 and the first 3 contiguous claims staked in June 2018.

Community Relations

Public scrutiny of mining projects has brought corporate social responsibilities into strategic planning. Garnering community and public support for continued exploration, future mine development and construction includes public engagement and involvement of key community stakeholders throughout the exploration and development process. The Company’s resource properties lie within the traditional territory of the Tahltan Nation, a key stakeholder with which the Company has entered into under a Communications Agreement. Key areas of concern include the sharing or transfer of economic benefits and environmental stewardship. The lack of a social license to operate could impair the value of the Company’s resource properties or delay or prevent exploration, development or construction activities.

Environmental Risks and other Regulatory Requirements

The current or future operations of the Company, including the exploration activities and commencement of production on any resource property, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for its facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which the Company might undertake.

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

Amendments to current laws, regulations and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on the Company and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new properties.

Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not currently maintain insurance against environmental risks.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Conflicts of Interest

Directors of the Company may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *Business Corporations Act* (British Columbia) and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. The Company does not know of any such pending or actual material legal proceedings as of the date of this MD&A.

No Cash Dividends

The Company has not declared any cash dividends to date, has no current earnings, and therefore the Company does not anticipate declaring any cash dividends for the foreseeable future.

Ore Reserves and Reserve Estimates

The Company's business relies upon the ability to determine whether a given resource property has commercial quantities of recoverable minerals. No assurance can be given that any discovered mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience.

Financial Risks

The Company's financial risk exposures and their impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents and receivables. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables generally consist of recoverable Canadian sales taxes, accrued interest and/or Canadian mineral exploration tax credits, and management believes the collectability of these amounts to be assured.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had cash and cash equivalents of $369,605 (March 31, 2019 - $1,276,494) to settle current liabilities of $556,481 (March 31, 2019 - $56,564). The Company incurred exploration costs of $622,000 in September 2019 alone, as the Company worked around the clock to finish its drilling program, leaving a working capital deficiency at September 30, 2019 of $137,068. The aforementioned private placement financing expected to be done in the short-term would alleviate the deficiency and improve liquidity. The Company believes it will be able to complete such a financing, and additional financings in order to provide sufficient liquidity for its 2020 working capital requirements and exploration programs.

The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital as required and may also enter into earn-in arrangements or the sale of certain property interests. There can be no assurance the Company will be able to obtain its future financings on acceptable terms. The ability of the Company to continue on this course will depend, in part, on the prevailing market conditions and the market interest in financing the Company's mineral property exploration programs, and the scope of such programs.

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt, has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations, and current interest rates remain historically low.

Market risk

The Company is subject to limited market risk as the price of its short-term money market investments fluctuates due to market forces. The Company has no control over their fluctuating prices, does not hedge its investments and the fluctuations are limited in scope and volatility. However, at the date of this report, the Company held no short-term money market investments.

Foreign currency risk

The Company's functional currency is the Canadian dollar and an immaterial amount of transactions are based on other currencies. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

Corporate Governance

The Company's Board of Directors and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to the shareholders. The current Board of 4 individuals is comprised of 2 independent members and 2 executive officers. The audit committee consists of 3 members comprised of 2 independent directors and the chief executive officer.