PROJECT ONE RESOURCES LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS

AND RESULTS OF OPERATIONS

FOR THE THREE- AND NINE-MONTH PERIODS ENDED MAY 31, 2020 and 2019

The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of Project One Resources Ltd. (the "Company") for the three- and nine-month periods ended May 31, 2020 and also 2019. This MD&A should be read in conjunction with the Company's unaudited but reviewed financial statements and the related notes contained therein for the three and nine month periods ended May 31, 2020, the audited financial statements and the related notes contained therein for the year ended August 31, 2019 and the 162-day period ended August 31, 2018 which summarize the financial impact of the Company's financings, investments and operations. The accompanying Financial Statements and related notes are management prepared. All figures are in Canadian dollars unless otherwise stated.

The information contained within this MD&A is current to July 29, 2020.

OVERVIEW

The Company was incorporated on March 22, 2018 in the Province of British Columbia, Canada by registration of its Incorporation Application and Notice of Articles pursuant to the BC Act. The Company's business and registered office address is located at Suite 1710–1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

The Company is a mineral exploration stage company engaged in the evaluation and exploration of mineral property interests. The Company's common shares trade on the Canadian Stock Exchange ("CSE") under the symbol PJO.

The Company's current property is the Christa-Aura Property (the "Property") situated in the New Westminster Mining Division in South Western British Columbia. The Company's objective is to explore and develop the property which consists of four map staked mineral claims comprising 1,950.5 hectares.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activity, including that of the Company. At this time it is not possible to predict the duration or magnitude of the adverse results of the outbreak, however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company's current operations to date.

Cautionary Notices Regarding Forward Looking Statements

While the Company believes that the assumptions underlying any forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether or not it should be revised because of new information, future events or otherwise, unless required to do so by the applicable securities laws.

History and Description of the Company

Since incorporation the Company has undertaken steps to develop its business, including, recruiting directors and officers with the skills required to operate a public mining exploration company. During the 162-day period ended August 31 2018, the Company entered into a Mineral Property Purchase Agreement to acquire the Property for shares, raised sufficient capital to commence initial exploration on the Property, engaged Carl von Einsiedel, P.Geo. to prepare a qualifying Technical Report, and engaged an agent to assist in obtaining a listing on the CSE.

On March 28, 2018, the Company entered into a Property Agreement with Ronald Shenton, a director and officer of the Company pursuant to which the Company acquired from Mr. Shenton all of his right, title and interest in and to the Property. The Company issued 2,350,777 common shares related to the acquisition of the Property at a fair value of $0.01 per share for a total value of $23,508.

The Company completed an initial exploration program consisting of airborne magnetic and radiometric surveys, satellite image analysis and digital elevation modelling and a systematic evaluation of available stream, soil and rock geochemical data for the project area. The total cost of this exploration program was $81,597.

On August 28, 2018, the Company raised $174,500 through the issuance of 3,290,000 common shares at $0.05 per share.

On June 12, 2019 the Company closed its public offering and raised $400,000 in gross proceeds through the issuance of 4,000,000 common shares at a price of $0.10 per share.

Exploration Work Completed in 2019-2020

Subsequent to the closing of the public offering, the Company contracted with Ram Explorations to carry out the next phase of exploration work. This was completed during July through September of 2019 at a cost of $100,282. (which was spent 80% prior to September 1, 2019 and the balance in September.)

These funds were expended as follows:

Project planning and evaluation of GIS data sets required for field operations	$5,200
Field operations	$72,887
Sample analysis	$10,032
Data interpretation and technical reporting	$12,163

The field program results confirmed the initial anomalies with positive results from soil sampling. The program was designed to follow up on the encouraging results of a 2018 aeromagnetic survey completed on the property and which were detailed in the Company's Technical Report dated July 15, 2018. A compilation of the historic 3D IP geophysical and the recent aeromagnetic survey indicated that there is an anomaly coincident with the Noranda showing, a mineralized quartz-breccia zone discovered by Noranda in 1988.

A total of 420 soil samples were collected over three new grids that overlay the three priority geophysics targets that are located in the central portion of the property. Sample lines were separated by 50 metres with samples being taken every 25 metres on each line. Two of the grids returned anomalous gold values in excess of 15 ppb. The most significant anomaly was identified in the southern part of the three target areas and consists of an east west trending response that was traced for 300 meters with gold values ranging from 15 to 66 ppb and is open to both the east and west.

This new target lies approximately one kilometer north of the Noranda showing. The target area is heavily forested and will require prospecting and geological mapping as neither of those have been performed through these new target areas. Extension of the soil grids would also be important in determining the potential extent of the mineralization.

The soil samples from the 2019 field program were packaged in sealed plastic bags and transported to the ALS Global assay facility in North Vancouver and analyzed by standard fire assay (AuAA23) and multi-element trace metal analysis (ME-ICP41).

Follow up IP surveys and drilling would be warranted however the costs of these programs cannot be estimated at this stage. This type of follow up work will require permitting through the Ministry of Mines and consultation with affected First Nations.

OVERALL PERFORMANCE

Summary of Quarterly Reports

Since incorporation the Company has been exploring and acquiring the Property. The loss incurred each quarter relates to the expenditures incurred in maintaining the operations of the Company and indirect cost in supporting the Company's project.

Results for the most recent quarters ending with the last quarter for the period ended May 31, 2020:

For the three-month period ending	**May 31, 2020**	**Feb 29, 2020**	**November 30, 2019**	**August 31, 2019**	**May 31, 2019**
Revenue	$nil	$nil	$nil	$nil	$nil
Operating expenses	$16,392	$24,327	$60,727	$111,542	$27,550
Net loss	$30,895	$24,327	$60,727	$111,542	$27,550
Basic and diluted loss per share	$0.01	$0.01	$0.006	$0.02	$0.00
Total assets	$311,415	$315,190	$344,676	$221,387	$47,110
Total non-current financial liabilities	$nil	$nil	$nil	$nil	$nil

For the three-month period ending	February 28, 2019	November 30, 2018	August 31, 2018
Revenue	$nil	$nil	$nil
Operating expenses	$10,117	$43,964	$20,700
Net loss	$10,117	$43,964	$20,700
Basic and diluted loss per share	$0.00	$0.007	$0.01
Total assets	$52,230	$74,354	$109,414
Total non-current financial liabilities	$nil	$nil	$nil

General and administrative (G&A) expenses are costs associated with the Company's corporate office and other expenditures that are not directly attributable to the Company's exploration project.

The Company anticipates that, for the foreseeable future, quarterly results of operations will primarily be impacted by several factors, including the affects of the COVID 19 pandemic, the timing of exploration and the efforts and timing of expenditures related to the development of the Company. Due to fluctuations in these factors, the Company believes that the period-to-period comparisons of operating results are not a good indication of its future performance.

Three-month period ended May 31, 2020 compared to the three-month period ended May 31, 2019

For the three months ended May 31, 2020, G&A expenses totalled $ 16,392 (2019 $27,550), a decrease of $11,158.

Rent expense during the period was nil compared to $1,500 in the 2019 comparable period, accounting/audit fee costs were $2,000 as compared to nil in 2019, legal fees were $7,012 as compared to $10,500 in 2019, consulting fees totalled $17,000 as compared to $10,060 ,website design costs were nil as compared to $463, travel costs were $326 as compared to $2,598 in the 2019 comparable period , and filing and listing fees were $3,946 as compared to $2,360 in the 2019 period. Exploration and evaluation expenditures were ($14,003) as compared to nil in the comparable 2019 period. (this amount included a provincial mining rebate received in the amount of $14,503.)

In addition, during the period the Company incurred interest expenses of $111.

Nine-month period ended May 31, 2020 compared to the nine-month period ended May 31, 2019

For the nine months ended May 31, 2020, G&A expenses totalled $ 85,054 (2019 $81,632), an increase of $3,423.

Rent expense during the period was $1,500 compared to $4,500 in the 2019 comparable period, accounting/audit fee costs were $2,792 as compared to nil in 2019, legal fees were $8,144 as compared to $35,613 in 2019, consulting fees totalled $48,500 as compared to $17,160 ,website design costs were

$3,728 as compared to $1,145, travel costs were $830 as compared to $3,518 in the 2019 comparable period , and filing and listing fees were $14,213 as compared to $19,262 in the 2019 period. Exploration and evaluation expenditures were ($14,003) as compared to nil in the comparable 2019 period. (this amount included a provincial mining rebate received in the amount of $14,503.)

Advertising and promotion costs were $2,157 in the period as compared to $291 in the 2019 comparable period. Exploration and evaluation expenditures were $2,565 as compared to nil in the comparable 2019 period. (this amount included a provincial mining rebate received in the amount of $14,503.)

In addition, during the period the Company incurred interest expenses of $625 as compared to $142 in the 2019 period.

Revenues

The Company currently does not generate any income and must finance its activities through the issuance of equity or debt instruments.

During the three-month period ended May 31, 2020, the Company incurred a loss of $16,392 compared to a loss of $27,550 for the corresponding three-month period to May 31, 2019.

Liquidity and Capital Resources

At May 31, 2020, cash and cash equivalents totaled $113,863 as compared to $4,553 for the comparable nine-month period in 2019. During the nine-month period, net cash was reduced by a total of $57,474 from items which included a net loss for the period of $85,054, an increase in prepaid expenses of $21,059, an increase in accounts payable of $13,019 and additional GST credits receivable of $2,663. Financing activities included receipt of $375 from exercise of 3,750 compensation options by our IPO broker, a refund of share issuance costs in the amount of $859 and a reduction in the outstanding loan balance of $10,395.

During the prior year nine month comparable period ended May 31, 2019, net cash was reduced by $60,458 from items including a period net loss of $81,631, a decrease in accounts payable of $673, additional GST credits and other receivables totalling $11,846 an expensed deferred finance fee in the amount of $10,000, and receipt of a loan of $20,000 from an officer/director of the Company.

Additional financing will be required for further exploration programs on the Property or for any potential new property acquisitions. The Company has sufficient funds to meet its anticipated minimum general and administrative expenses for the 12-month period following the August 31, 2019 year end. Management is currently examining financing opportunities. A private placement in the amount of $540,000 is currently being conducted with funds to be used as general working capital and potential acquisition diligence expenditures.

Advanced exploration of the mineral property would require additional financial resources. There is no assurance that such financing will be available when required, or under terms that are favourable to the Company. The Company may also select to advance the exploration and development of assets through joint ventures.

Financial and Working Capital position

As at May 31, 2020 the Company's net working capital position was $56,256 as compared to $140,076 as at August 31, 2019, which was the date of the Company's last audited year end financials. This is a reduction of $83,820 comprised primarily of a net operating loss of $81,783, which included fees paid or owing to management of $48,000, and exploration related net costs expensed during the period for the Aura property including $4,980 for engineering, $14,147 for geophysical work and $2,432 for technical report costs. A total of $3,991 in exploration costs was recaptured during the period and a BC Mining credit refund was received in the amount of $14,503.

The Company has financed its operations to date through the issuance of common shares and debt financing. The Company continues to seek capital through various means including the issuance of equity and/or debt. A private placement financing is currently being conducted by the Company.

The Company's unaudited but reviewed, interim financial statements for the three- and nine-month periods ended May 31, 2020 have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements

Proposed Transactions

At the Report Date, the Company does not have any formal proposed material transactions. All material transactions as at May 31,2020 are fully disclosed in the Financial Statements for the nine month period ended May 31,2020.

Contractual Obligations

The Company has no material and long-term contractual obligations other than a short-term working capital loan originally in the amount of $20,000 as provided by a shareholder on April 10, 2019 and monthly management fee obligations of $2,500 to each of two officers.

The loan bears interest at 5% per annum, due July 10, 2019 and subsequently extended to March 31, 2020 and again to May 31, 2020. The balance outstanding as at May 31, 2020 was $10,000.

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 Financial Statements.

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.

Outstanding Share Data

As at May 31, 2020 there were 9,794,527 common shares issued and outstanding. No stock options were granted during the period ended May 31, 2020 and no options were outstanding as that date. As a component of the public offering in June 2019, the Company issued a total of 380,000 compensation agent warrants which expire on June 11, 2021 with an exercise price of $0.10 per share purchase warrant.

During the period, a total of 3,750 of these compensation options were exercised for total cash proceeds to the Company of $375.

On June 2, 2020, the Board of Directors approved the awarding of 850,000 stock options to directors. The options are exercisable at a price of $.19 and are valid until June 2, 2025.

Related Party Transactions

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

During the nine-month period ended May 31, 2020, the Company incurred $45,000 (2019 - $6,000) in consulting fees with the officers of the Company. As at May 31, 2020, the total outstanding payables to related parties is $40,233 (August 31, 2019 - $nil)

On April 10, 2019, the Company entered into a loan agreement with the CEO of the Company for $20,000. The loan bears interest at 5% per annum, due July 10, 2019 and subsequently extended to March 31, 2020 and again to May 31, 2020. During the nine-month period ended May 31, 2020, the Company repaid $10,395 of the loan balance and accrued interest. As at May 31, 2020, the remaining loan balance is $10,000.

Subsequent to May 31, 2020, the Company entered into a share for debt arrangement with related parties to exchange shares at a deemed price of $0.16 for $49,375 in debt from accrued management fees (and GST) and the balance owing on a loan payable. On June 4, 2020, the Company issued a total of 312,344 common shares fair valued at $0.22 per common share for total consideration of $68,716.

RISKS

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 credit risk, the Company would intend to place these instruments with a high-quality financial institution.

Liquidity Risk

ln 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 short-term funding to finance the Company's projects and operations.

Exploration Stage Mineral Exploration Risks

Exploration stage mineral exploration companies face a variety of risks with very few exploration projects successfully achieving development stage due to factors that cannot be predicted or anticipated. Even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed.

SUBSEQUENT EVENTS

On June 1, 2020, the Company announced that Charles Clark of London, England had joined the Company’s Board of Directors.

Additional Disclosure for Junior Companies

The Company expects that the proceeds raised in June 2019 pursuant to the offering will continue to fund operations through to mid 2020 after which further financing may be required. The estimated total general and administrative costs necessary for the Company to continue minimal operations during the following 12 months is $130,000.