

**MICHELIN MINING CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE SIX MONTHS ENDED MAY 31, 2019**

## **INTRODUCTION**

Michelin Mining Corp (“Michelin” or the “Company”) is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. The Company is a junior natural resource company engaged in the acquisition and exploration of mineral properties. Its current property is the Rude Creek property. The Company plans to expand its portfolio of properties in the future. The Company is listed on the Canadian Securities Exchange (“CSE”) under the trading symbol “MICH”.

This MD&A is dated June 24, 2019 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed interim financial statements and the related notes for the six months ended May 31, 2019 and the Company’s audited financial statements for the period from incorporation on August 16, 2018 to November 30, 2018 and the related notes thereto.

## **MAJOR INTERIM PERIOD OPERATING MILESTONES**

During the current period, the Company was working on getting its initial public offering completed.

On May 30, 2019, CSE had conditionally approved the Company’s listing. On June 5, 2019, the Company filed its final non-offering prospectus with the British Columbia Securities Commissions. On June 18, 2019, the Company received the final approval from the CSE and began trading under the symbol “MICH” on June 19, 2019.

## **INTERIM PERIOD FINANCIAL CONDITION**

### Capital Resources

On February 8, 2019, the Company issued 1,845,500 units (the “Units”) at a price of \$0.10 per Unit for gross proceeds of \$184,550. 1,545,000 Units were issued pursuant to a private placement and 300,500 Units were issued pursuant to a crowdfunding. Each Unit consisted of one common share and one common share purchase warrant. Each warrant can be exercised into one common share of the Company at a price of \$0.20 per share for a period of 24 months from the date of closing. The warrants were ascribed a value of \$Nil under the residual value method. In connection with the private placement, the Company paid \$2,626 as a cash finder’s fee and issued 100,000 compensation units. Each compensation unit consists of one common share at a deemed value of \$0.10 and one warrant exercisable into one common share at a price of \$0.20 for a period of 2 years expiring on April 2, 2021.

Future funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activity and capital market fluctuations. Management believes it will be able to raise equity capital as required in the long-term, but recognizes the risks attached thereto.

## Liquidity

As at May 31, 2019, the Company's working capital was \$418,964 (November 30, 2018 - \$454,935). As at May 31, 2019, cash totaled \$286,379, a decrease of \$177,368 from \$463,747 as at November 30, 2018. The decrease was mainly due to (a) operating activities of \$67,949 and (b) investment in exploration and evaluation assets of \$134,187, while being offset by the net proceeds of \$24,768 from financing activities.

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company has sufficient working capital at this time to meet its ongoing financial obligations.

## Operations

### **For the three months ended May 31, 2019 compared with the period from incorporation on August 16, 2018 to November 30, 2018:**

The Company incurred losses of \$19,748 (\$0.00 loss per share) and \$19,754 (\$0.00 loss per share) respectively during the three months ending May 31, 2019 and for the period from incorporation on August 16, 2018 to November 30, 2018.

The Company's general and administrative expenses amounted to \$20,840 (2018 - \$20,123) during the three months ended May 31, 2019, a slight increase of \$717. The change in the expenses was due to increases in accounting fees (2019 - \$15,882; 2018 - \$11,767) and filing fees (2019 - \$4,805; 2018 - \$320) while being offset by: legal fees (2019 - \$Nil; 2018 - \$8,036). Interest income was \$1,092 and \$369 during the three months ended May 31, 2019 and for the period from incorporation on August 16, 2018 to November 30, 2018.

### **For the six months ended May 31, 2019 compared with the period from incorporation on August 16, 2018 to November 30, 2018:**

The Company incurred losses of \$46,553 (\$0.00 loss per share) and \$19,754 (\$0.00 loss per share) respectively during the six months ending May 31, 2019 and for the period from incorporation on August 16, 2018 to November 30, 2018.

The Company's general and administrative expenses amounted to \$49,081 (2018 - \$20,123) during the six months ended May 31, 2019, an increase of \$28,958. The change in the expenses was mainly due to increases in: accounting fees (2019 - \$31,462; 2018 - \$11,767), legal fees (2019 - \$12,071; 2018 - \$8,036), filing fees (2019 - \$5,285; 2018 - \$320), office operations (2019 - \$263; 2018 - \$Nil). Interest income was \$2,528 and \$369 during the six months ended May 31, 2019 and for the period from incorporation on August 16, 2018 to November 30, 2018.

## SIGNIFICANT RELATED PARTY TRANSACTIONS

Amounts due to:	Service	Six months ended May 31, 2019	Period from incorporation on August 16, 2018 to November 30, 2018	Balance due	
				As at May 31, 2019	As at November 30, 2018
Pacific Opportunity Capital Ltd., a company controlled by Mark T. Brown, a director	Accounting and financing services	\$ 31,462	\$ 8,068	\$ 2,515	\$ 5,499
TOTAL:		\$ 31,462	\$ 8,068	\$ 2,515	\$ 5,499

The above transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed term of repayment.

## COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of the MD&A, the Company had no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

## RISK FACTORS

In our MD&A dated on March 28, 2019 in connection with our audited financial statements for the period from incorporation on August 16, 2018 to November 30, 2018 (the “Annual MD&A”), we set out our discussion of the risk factors which we believe are the most significant risks faced by Michelin. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data:

	Issued and outstanding	
	<u>May 31, 2019</u>	<u>As of the date of the MD&amp;A</u>
Common shares outstanding	16,595,501	16,595,501
Warrants	13,195,500	13,195,500
Fully diluted common shares	<u>29,791,001</u>	<u>29,791,001</u>

1,000,000 shares were placed in escrow in accordance with the escrow agreement dated March 21, 2019. On June 19, 2019, 10% of the escrowed common shares was released upon the Company completing the initial public offering with the CSE and 15% will be released thereafter every 6 months.

The Company has established a stock option plan for its directors, officers, employees and consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. The Company has not granted any stock options as at the date of this MD&A.

### **Cautionary Statements**

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.