HORNBY BAY MINERAL EXPLORATION LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED MARCH 31, 2019

This Management's Discussion and Analysis ("MD&A") relates to the performance, financial condition and future prospects of Hornby Bay Mineral Exploration Ltd. ("Hornby Bay", "HBE" or the "Company") and should be read in conjunction with the Audited Consolidated Financial Statements for the years ended March 31, 2019 and 2018, and Notes thereto. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. The Audited Consolidated Financial Statements and MD&A are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are presented in Canadian dollars unless otherwise specified. This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of July 22, 2019 and for the years ended March 31, 2019 and 2018. Readers are encouraged to read the Company's public information filings which can be accessed and viewed through a link to the Company's Canadian Securities Commissions filings via the System for Electronic Data Analysis and Retrieval (SEDAR) at www.sedar.com

This section contains forward-looking statements and should be read in conjunction with the risk factors described in "Risks and Uncertainties" and the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A.

1. Corporate Overview

In 1996, the Company was incorporated in Ontario with its primary focus on uranium exploration in Nunavut, Canada. Nunavut is the only province and/or territory that has settled its native land claim issues. On its BC properties, the Company has determined the boundaries of its 5% Net Smelter Return Royalty (NSR) within Copper Mountain Mining Corporation's land holdings, which include a producing mine in Princeton, BC.

The Company is a reporting issuer in Ontario, British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol HBE.

2. Exploration and Properties

2019/2018 Exploration Season and Plans

Hornby Bay Mineral Exploration Ltd. is exploring for uranium on its Coppermine River Property, Nunavut. The Coppermine Property is 100% owned by HBE and consists of 13 leases covering 30,811 acres. The Company's properties are located in the northern region of the Early Proterozoic Wopmay Orogen, where the units of the orogen are overlain by Middle Proterozoic sedimentary rocks of the deeper, eastern lobe of the Hornby Bay Basin.

An additional core logging program was initiated by Dr. Vadim Galkine in early 2015 on site in Nunavut and encompassed a continuing mineralogical study covering 2015 and 2016. In July 2015, the Company did a new core sampling program, which was designed to take samples from the core extracted during drilling in 2004-2010, to determine if it would be possible to do sub-surface pseudo-structural profiles and some additional alteration and mineralogical studies. In order to focus any future exploration program, the Company's exploration geologists require a deeper understanding of the mineralogical and petrophysical characteristics, as well as the stratigraphic and structural evolution of the basin. In all, 75 samples were taken for the purpose of this work. The representative samples from the drilling were logged and brought to Toronto for storage and additional logging and mineralogical studies. Due to the collapse of the uranium market worldwide, management made a decision with its consultants to suspend further expenditures on the uranium program in Nunavut; however, the Company is maintaining its semi-annual financial obligations to hold its primarily untested targets on its leases until such time as there is a revival of uranium prices.

On March 8, 2016, the Company submitted a plan of its land use operation to the Aboriginal Affairs and Northern Development Canada (AANDC) related to its Nunavut Properties. As required by the AANDC, the Company must complete a restoration and clean-up of its Nunavut camp. As mentioned below, Hornby is in the process of decommissioning its camp facilities. As advised by the Nunavut Water Board, the Company's water license is valid for a period of five years, until April 23, 2019**.**

The Company is planning an exploration program to be conducted on the gold mining leases that it owns in the Timmins, Ontario area. The next stage of the exploration program will consist of diamond drilling the now defined Magnetic EM and VLF-EM targets which have incorporated the 2018 geophysical data with previously acquired data. In April 2017, the Company received a three-year exploration permit from the Ministry of Northern Development and Mines to conduct drilling on its 100%-owned East Clavos Gold Property in the Timmins-Porcupine mining camp.

Hornby holds mineral and surface rights on the target areas and there are no royalty burdens. The mining leases cover in excess of 2 km of strike length on the Pipestone Fault gold bearing regional structure. Hornby expects drilling to commence in early 2019.

Camp Decommissioning

In 2015, the Company was made aware by Nunavut's AANDC that some upgrades needed to be made to the Company's permanent camp facilities in order to comply with current environmental regulations. Hornby Bay's Management considered this work and the cost of completion and had decided instead to dismantle its permanent Nunavut camp facilities. Most of the work was completed and the Company recognized a provision in the amount of $50,000 on the statement of financial position. No adjustment has been made to this provision during the year ended March 31, 2019. The provision is measured at management's best estimate of the final cost of the any remediation work. Hornby Bay has made significant cost savings in its efforts to dismantle the Nunavut camp facilities and has also realized some income on the sale of idle assets that were located at the camp and are no longer of use to the Company (See "***Sale of Assets***" below).

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Land Holdings

In November 2016, Hornby's Management decided to drop 10 leases that formed part of its Nunavut property. The cost to maintain land leases is high, and Management determined that the 10 leases were outside of the Company's strategic holdings within the total land package. The reduction in Hornby's land position in Nunavut will save the Company roughly $24,000 in land lease rents per year.

B.C. NSR Royalty

Hornby Bay 5% Net Smelter Return Royalty (NSR) - Copper Mountain Mining Corporation Holdings ("CMMC", or "Copper Mountain") – Princeton, British Columbia

Legal surveys conducted under the guidance of a B.C. land surveyor on all of Hornby Bay's 5% NSR boundaries indicate that Hornby Bay owns a 5% NSR on 4,000 acres of CMMC's 18,000 acre copper-gold-silver mine leases in Princeton, British Columbia. The 5% NSR covers 22.3% of CMMC's mining leases and mineral rights, and consists of several areas within the holdings, but HBE's 5% NSR areas are not currently being mined by CMMC. There are a number of known mineralized areas within Hornby Bay's 5% NSR area. Both airborne photographic surveys and ground legal surveys have been completed and the data has been filed with B.C. government departments. A review of all documentation pertaining to Hornby Bay's 5% NSR has been underway since 2012 and is on-going. Management anticipates that further specifics regarding the assessment of the value of this royalty, and further actions contemplated by Hornby Bay, will be reported as the information becomes available.

The Phase One Legal Survey covering about 50% of Hornby Bay's 5% NSR on all minerals produced was approved on February 8, 2013 by the Surveyor General of B.C. under Section 42 of the Mineral Tenure Act. These Mining Leases comprise the northern portion of the 5% NSR and are adjacent to areas currently being mined by Copper Mountain Mining Corporation.

The Phase Two Legal Survey, initiated in late 2012, of the southern 5% NSR Royalty areas, was completed and later accepted by the Surveyor General B.C. on September 17, 2013. The legal surveys have been registered with the Surveyor General's Office of British Columbia for the purpose of confirming the exact location of the underlying mineral rights and boundaries of Hornby Bay's NSR.

The Company has prepared an overlay of the recently surveyed boundaries of its 5% NSR land holdings on an aerial ortho-rectified image of the Copper Mountain mine. Please refer to the map posted in the "News" section of the Company's website, dated January 21, 2014.

Royalty Income

During the year ended March 31, 2019, the Company did not receive any royalty on its 5% NSR royalty holding connected with Copper Mountain Mining Corporation's ("Copper Mountain") operating mine in the Princeton, BC area. During fiscal 2017 the Company had recorded $272,210 in income in relation to mining production during the period January to September 2016. Copper Mountain has mined only a small portion of easily available open-pit copper-gold-silver reserves on royalty ground in the vicinity of the Virginia Pit. As indicated in Copper Mountain's NI 43-101 Technical Report dated February 25, 2019, mining of the Alabama Pit is currently in the permitting process. The Company has a 5 % NSR on a significant area of this deposit.

3. Exploration Expenses

During the three months ended March 31, 2019 the Company spent $18,872 on exploration activities compared to $138,547 during the prior year comparative period. The decrease over the prior year is mainly due to the decrease geophysical program activities which was done in the first quarter of 2018.

During the year ended March 31, 2018 the Company spent $46,794 on exploration activities compared to $216,125 during the prior year comparative period. The Company did not incur any demobilization expenses as they were finished in the fiscal 2018.

Following is a summary of exploration expenses for the periods ended March 31, 2019 and 2018:

	Three months ended March 31,		Year ended March 31,	
	2019	2018	**2019**	2018
Lease rental payments	**$ 15,307**	$ 62	**$ 30,811**	$ 17,774
Technical consulting	**2,000**	53,514	**12,200**	111,812
Demobilization	**-**	67,855	**-**	67,855
Program planning and reports	**-**	(1,568)	**-**	-
Camp and support	**-**	1,775	**-**	1,775
Geology	**-**	-	**-**	-
Licenses and permits	**-**	-	**-**	-
Airborne geophysics	**-**	-	**-**	-
Recording fees and taxes	**1,565**	16,909	**3,783**	16,909
	$ 18,872	$ 138,547	**$ 46,794**	$ 216,125

4. Liquidity and Capital Resources

Other than royalties earned and occasional income realized on the sale of idle assets (See "***Sale of Assets***" below), the Company has no operating revenues and relies primarily on equity financings as well as the exercise of options to fund its exploration and administrative costs.

The Company's operations consist of the exploration and evaluation of its various properties, a process that is ongoing, and is dependent on many factors some of which are beyond the Company's control. The Company maintains a policy of reviewing its working capital requirements on a continuous basis and is mindful of its property and administrative commitments.

At March 31, 201, the Company had a working capital deficiency of $826,096 compared to $728,308 at March 31, 2018. Cash balances were $5,215 at March 31, 2019 compared with $2,410 at March 31, 2018.

Sale of Assets
During the year ended March 31, 2019, the Company sold its 100% interest in four Crown grants in the area of the Independence Cu-Mo deposit in British Columbia for $30,000 and retained a 1% NSR royalty. These Crown grants were not significant to the Company's future plans.

Financing
During the year ended March 31, 2019, the Company was advanced $3,049 by related parties (2018 - $150,635).

The Company has a need for equity capital and because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing. It is not possible to predict whether financing efforts will be successful.

5. Results of Operations

During the three months ended March 31, 2019, the Company recorded a net loss and comprehensive loss of $193,284. This is compared to a net income of $239,426 for the three-month comparative period in 2018. The net income in fiscal 2018 is attributable to the reversal of flow through indemnification of $483,789.

During the year ended March 31, 2019, the Company recorded a net loss and comprehensive loss of $411,991. This is compared to a net loss of $73,672 for the prior year ended March 31, 2018. The lower net loss and comprehensive loss in 2018 is attributable to the reversal of the provision flow through indemnification liability. In addition, the Company incurred higher interest and accretion on debt expenses in the current year (See "***General and Administrative Expenses***") compared to the same period in 2018. Also, in the prior year the Company incurred significantly higher expenses related to the decommissioning of its camp facilities on its Nunavut property.

The following schedule provides the details of general and administrative expenses.

	Three months ended March 31,		Year ended March 31,	
	2019	2018	**2019**	2018
General and Administrative Expenses				
Professional fees	**$ 18,710**	$ 35,298	**$ 61,744**	$ 91,209
Shareholders' information	**16,966**	20,325	**25,295**	44,046
Office and general	**664**	536	**2,771**	11,265
Interest and accretion on debenture	**48,597**	12,512	**175,489**	118,255

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Interest and bank charges	**16,177**	37,145	**56,600**	76,561
	$ 174,412	$ 105,816	**$ 395,197**	$ 341,336

Selected Annual Information

	2019	2018	2017
	$	$	$
Total revenues	30,000	nil	272,210
Net loss (income)	411,991	73,672	147,118
Basic & diluted net (loss) income per share	(0.01)	(0.00)	(0.00)
Total assets	124,773	195,821	330,939
Total liabilities	1,888,107	1,620,462	2,789,469
Shareholders' deficiency	(1,763,334)	(1,424,641)	(2,458,530)

Summary of Quarterly Results

	Fiscal 2019			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
	$	$	$	$
Total Revenues	-	-	30,000	-
Net (income) loss	193,284	72,007	62,053	84,647
Net loss per share[1]	0.002	0.001	0.001	0.001
Shares issued & outstanding	80,870,925	80,870,925	80,870,925	80,870,925

	Fiscal 2018			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
	$	$	$	$
Total Revenues	-	-	-	-
Net loss	(239,153)	104,412	108,751	99,662
Net loss per share[1]	0.001	0.002	0.002	0.001
Shares issued & outstanding	80,870,925	58,159,989	58,159,989	58,159,989

[1] Basic and diluted

6. Outstanding Share Data

The following is the outstanding share data and outstanding securities that are convertible into common shares of the Company as of July 22, 2019:

	# Outstanding	Weighted average exercise price
Common shares	80,870,925	N/A
Derivatives:		
Stock options	3,000,000	$0.05

7. Commitments and Contingencies

Pursuant to the issuance of 8,346,820 flow-through shares on September 9, 2010, the Company renounced $1,318,421 of qualified exploration expenditures with an effective date of December 31, 2010. The Company was required to spend these flow-through funds by December 31, 2011 but was unable to do so. As of December 31, 2011, the amount remaining to be spent was approximately $882,000. The Company had indemnified the subscribers of the flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. As a result of this indemnification, the Company recorded a provision of $580,537 during the year ended March 31, 2012, which was included in Accounts payable and accruals on the consolidated statement of financial position at that time.

As the Company had not paid any claims associated with the remaining debt in over six years, the Company reversed the remaining provision of $483,789 during the year ended March 31, 2018.

8. Critical Judgements and Estimates

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Income taxes and recoverability of potential deferred tax assets: In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-based payments: Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingencies

9. Accounting Pronouncements

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for the Company's accounting periods beginning on April 1, 2019 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and will replace IAS 17, "Leases". IFRS 16 will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company does not anticipate that the adoption of this standard will have an impact on the Company as it is not party to any leases subject to the new standard at the present time.

Changes in Accounting Policies

Effective April 1, 2018, the Company adopted IFRS 9, Financial Instruments, which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in both standards, the Company adopted these standards retrospectively without restating comparatives, with the cumulative impact adjusted in the opening balances as at April 1, 2018. There were no effects on opening balances at April 1, 2018 with respect to the adoption of these policies.

IFRS 9, Financial Instruments
IFRS 9 replaces International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets and requires that there be a demonstrated economic relationship between the hedged item and hedging instrument.

10. Financial Instruments

Details of the significant accounting policies and methods adopted for financial instruments (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3 to the Audited Consolidated Financial Statements for the years ended March 31, 2019 and 2018.

Financial Instrument Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies or procedures during the periods ended March 31, 2019 and 2018.

Credit risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

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 March 31, 2019, the Company had a cash and amounts receivable balance of $9,078 (March 31, 2018 - $14,710) to settle current liabilities of $835,174 (March 31, 2018 - $743,018). As such, liquidity risk for the Company should be considered high. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loans and convertible debentures described in Notes 8, "***Loans Payable***", the debenture and shareholder's loan described in Note 13, "***Related Party Transactions***", and the provision described in Note 7, under "***Camp Decommissioning***." Interest payable on the convertible debenture, debenture and loans payable will further impact the Company's liquidity risk and working capital.

Market risk

(a) Interest rate risk
The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal given that, as at March 31, 2019 and 2018, no amounts were held in short-term deposit certificates. Interest rates on the debentures and loans are fixed and therefore interest rate risk is considered by Management to be low.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral exploration properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not currently a revenue producing entity.

Fair value

The Company has designated its cash and amounts receivable as loans and receivables, which are measured at amortized cost. Accounts payable and accruals, promissory note, and shareholder's loan are classified as other financial liabilities, which are measured at amortized cost.

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash, amounts receivable, promissory note and accounts payable and accruals on the balance sheet approximate fair value because of the limited term of the instruments. It is not possible to determine if the shareholder's loan is at fair value as there is no comparable market value for such a loan.

At March 31, 2019 and 2018, the Company had no financial instruments that are carried at fair value.

11. Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

12. Related Party Transactions

Included in current liabilities at March 31, 2019 is an amount owing to a shareholder, officer and director of the Company of $160,558 (March 31, 2018 - $132,158), and included in long term liabilities is a debenture with related accrued interest as described below. On November 1, 2012, the Shareholder's loan, which was previously due on demand and non-interest bearing, was cancelled and a secured debenture for principal of $1,500,000 was issued in its place. The debenture bears interest at 3% per annum and matures on November 1, 2017. The Company may extend the maturity date to November 1, 2022. Advances to the Company, and payments made on its behalf by the Shareholder in excess of the $1,500,000 principal loan amount are included on the Statement of Financial Position as Shareholder's loan. The Shareholder's loan continues to be unsecured, due on demand and non-interest bearing. As security for the debenture, the Company has granted a security interest to the Holder over its 5% Net Smelter Return Royalty on certain parts of the Copper Mountain Mine located in British Columbia.

The fair value of the debenture was estimated at $325,500 on the date of issuance using an interest rate of 20%. The debenture will be accreted to its maturity value using the effective interest rate method at an annual interest rate of 20%. Interest and accretion on the debenture of $175,489 was recorded on the Statement of Loss and Comprehensive Loss during the year ended March 31, 2019 (March 31, 2018 - $118,255).

Included in the amount owing to officers and directors is $38,519 (March 31, 2018 - $18,817) for legal services provided by a director of the Company prior to and during the year ended March 31, 2019. During the year then ended, $nil (March 31, 2018 - $127,159) was settled through the issuance of shares (Note 9 to the consolidated financial statements) to the officer and director for legal services. The remaining balance owing to officers and directors of $8,475 (March 31, 2018 - $2,825) is owed to an officer of the Company for management services rendered during the year; $28,250 was paid to this officer during the year ended March 31, 2019 (March 31, 2018 - $15,537).

13. Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the periods ended March 31, 2019 and 2018 was as follows:

	Three months ended March 31,		Year ended March 31,	
	2019	2018	**2019**	2018
	$	$	**$**	$
Salaries including bonuses	**7,500**	7,500	**30,000**	36,250
Share-based payments	**46,866**	-	**46,866**	-
	54,366	7,500	**76,866**	36,250

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In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. No share-based payments were paid to key management personnel during the year ended March 31, 2018.

14. Risks & Uncertainties

Exploration

The Company's exploration projects are subject to conditions beyond its control that can affect the carrying costs and development costs for varying lengths of time. Such conditions include environmental hazards, unusual or unexpected geological formations or pressures and periodic interruptions due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury, environmental damage, delays in exploration programs, monetary losses and possible legal liability. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land holdings, the availability of suitable contractors, and other factors. Through high standards and continuous improvement the Company works to reduce these risks and maintains insurance to cover normal business risks.

If mineralization is discovered, it may take several years in the initial phases of exploration and development activities until a production decision is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment of resources or reserves. Whether a resource deposit will ultimately be commercially viable depends on a number of factors, including the particular attributes of the deposit such as the deposit's size, financing costs and the prevailing prices for the applicable resource. Also of key importance are government regulations, including those relating to prices, taxes, royalties, land tenure, land use and environmental protection.

Financing

In the absence of cash flow from operations the Company relies on the capital markets to fund operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company. Failure to obtain such additional finance could result in delay or the indefinite postponement of further exploration and the development of the Company's properties.

Licenses and Permits, Laws and Regulations

The Company's exploration activities require permits from various government authorities, and are subject to extensive federal provincial and local laws and regulations governing prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become stringent and compliance can therefore become more costly. The Company relies on the expertise and commitment of its management team, their advisors, its employees and contractors to ensure compliance with current laws and fosters a climate of open communication and co-operation with regulatory bodies.

The Company believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations.

Environmental, Health and Safety
The Company's activities are subject to extensive federal, provincial and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, where enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The company is also subject to various reclamation-related conditions imposed under federal or provincial rules and permits, and there can be no assurance that they will not change in the future in a manner that could have a material effect on the Company's financial condition, liquidity or results of operations.

15. Forward Looking Statements

Certain statements contained in the section "Description of the Business" of this MD&A constitutes forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;

- the supply and demand for, deliveries of, and the level and volatility of prices of base metals, and uranium, among others;
- the availability of financing for the Company's exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- the accuracy of the Company's resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based;
- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, uranium and copper prices, access to skilled mining development and mill production personnel, results of exploration and development activities, the Company's limited experience with production and development stage mining operations, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors incorporated by reference herein. See "**Risks and Uncertainties**" for additional information. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.

Dated July 22, 2019

"James M. Brady"
President & CEO