



## **Management Discussion and Analysis**

### **For the Three and Nine Months Ended November 30, 2019**

The following management's discussion and analysis ("MDA") has been prepared as of January 21, 2020 and should be read in conjunction un-audited condensed interim financial statements for the three months and nine months ended November 30, 2019 and the comparative period November 30, 2018. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards and all numbers are reported in Canadian dollars, unless otherwise stated.

Throughout the report we refer to Jiulian, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Jiulian Resources Inc. All amounts stated are in Canadian dollars unless otherwise stated.

#### ***Cautionary Statement on Forward-Looking Information***

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Jiulian assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

#### ***Overview Performance and Operations***

Jiulian Resources Inc. (the "Company") was incorporated on October 17, 2006 under the laws of British Columbia. The Company was a capital pool Company as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. On July 28, 2009, the Exchange accepted for filing the Company's Qualifying Transaction, as a result, the Company resumed trading as a Tier 2 mining company under the symbol "JLR", on August 26, 2009. On February 12, 2016, the Company was transferred to NEX of the Exchange due to not being able to meet Tier 2 Continued Listing Requirements. The trading symbol of the Company was changed to "JLR.H".

The Exchange granted final approval on the reactivation of Jiulian from the NEX Board of the Exchange to Tier 2 of the Exchange effective Tuesday October 9, 2018. The Company commenced trading on the Exchange Tier 2 under symbol "JLR" on the effective date.

The Company's corporate office and principal place of business is located at 335 – 1632 Dickson Avenue, Kelowna, BC V1Y 7T2.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties located in Canada. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's current properties include mineral properties located in British Columbia.

***In addition to the below summary please refer to the Company's quarterly MD&A reports dated July 22, 2019 ("Q1 2020 MD&A") and October 28, 2019 ("Q2 2020 MD&A") and filed on SEDAR under the Company's profile.***

*Highlights during three months ended November 30, 2019 and as at the date of the report include:*

## **Corporate**

### Directors

On September 18, 2019 Mr. Ed Milewski resigned as director of the Company.

## **Mineral Properties**

### Gunpoint Properties

#### *The Big Kidd Property*

The Big Kidd property comprises four contiguous mineral tenures totaling 4,055.77 hectares and is located 20 kilometers southeast of the city of Merritt, B.C. The property is centered upon latitude 49°57' north and longitude 120°37' west. The exploration target at the Big Kidd property is alkali porphyry type copper-gold deposit.

## **Exploration**

As reported in the Company's Q1 2020 and Q2 2020 MD&A reports the Company commenced its 2019 field season program on January 2019 and further expanded the program in March 2019 to include a total of 4191.5m of drilling completed in 9 drill holes.

As earlier reported Drill Holes BK-19-001, BK-19-002, BK-19-004, BK-19-005, BK-19-006, BK19-008, and BK-19-009 were designed as step outs from known areas of mineralization and all holes intersected over 100 meters of Au-Cu Porphyry style mineralization and alteration. The results for drill holes BK-19-001 and BK-19-002 can be found in Julian Resources News Release, April 15<sup>th</sup>, 2019.

Drill Hole BK-19-003 was a short hole designed to test the northern boundary of the Big Kidd Breccia Zone. The northern contact of the Big Kidd Breccia and the Nicola Volcanics was encountered at approximately 6 meters depth and contained no significant intercepts.

***Additional details on the results reported from the 2019 program including assay results, maps and figures including the Company's QA/QC methods please refer to the news releases March 21, 2019, April 15, 2019 and May 23, 2019 all of which can be found on the Company's website and filed under the Company's profile on [www.SEDAR.com](http://www.SEDAR.com).***

Scott Dorion, P.Geo., independent Director of Julian is the designated Qualified Person of the Company as defined by National Instrument 43-101 and has reviewed and approved the technical information contained in this report.

## *Outlook*

The Company continues to review of the 2019 program data before making a decision regarding further drilling on the Big Kidd Property in 2019 and is also evaluating other assets located in B.C. at this time. Additional funds will be required in order for the Company to complete further exploration.

**Expenditures to date on Exploration and Evaluation Assets include:**

**For the nine months ended November 30, 2019:**

	<b>Bid Kidd</b>
Balance as at February 28, 2019	\$ 561,971
<b>Exploration Costs</b>	
Assaying	<b>90,545</b>
Community relations	-
Drilling	<b>382,315</b>
Field equipment and supplies	<b>408</b>
Fieldwork	<b>77,952</b>
Geological	<b>96,190</b>
GIS Mapping and reports	<b>1,000</b>
Camp/Site Costs	<b>29,586</b>
IP Survey & Geophysics	-
Permitting & Legal	-
Transport, helicopter, rental equipment & fuel	<b>53,532</b>
Travel/Site	<b>10,171</b>
Total Exploration costs	<b>741,699</b>
<b>Balance at November 30, 2019</b>	<b>\$1,303,670</b>

**For the year ended February 28, 2019**

	<b>Bid Kidd</b>	<b>Little Fort</b>	<b>Total</b>
<b>Acquisition Costs</b>			
Staking/claim fees	\$ -	\$ 2,250	\$ 2,250
Total Acquisition Costs	-	2,250	2,250
<b>Exploration Costs</b>			
Camp/Site Costs	2,250	10,600	12,850
IP Survey & Geophysics	-	49,418	49,418
Total Exploration costs	2,250	60,018	62,268
Balance as at February 28, 2018	\$ 2,250	\$ 62,268	\$ 64,518
<b>Acquisition costs</b>			
Staking/claim fees	-	4,079	4,079
Total Acquisition Costs	-	4,079	4,079
<b>Exploration Costs</b>			-
Assaying	317	3,217	3,534
Drilling	196,948	-	196,948
Field equipment and supplies	27,839	140	27,979
Fieldwork	59,225	13,000	72,225
Geological	102,584	15,775	118,359
GIS Mapping and reports	21,418	-	21,418
Camp/Site Costs	13,802	2,257	16,059
IP Survey & Geophysics	71,631	11,400	83,031
Transport, helicopter & rental equipment	52,123	3,646	55,769
Travel/Site	13,833	-	13,833
Total Exploration costs	559,721	49,434	609,155
Write-off exploration and evaluation costs	-	(115,781)	(115,781)
Balance at February 28, 2019	\$ 561,971	\$ -	\$ 561,971

### **Financial Results for the three months ended November 30, 2019 and 2018**

The Company has no operating revenues and relies on external financings to generate capital for its continued operations. As a result of its activities Jiulian continues to incur annual net losses.

For the three months ended November 30, 2019 the Company reported a \$7,675 net and comprehensive loss or \$0.00 basic and diluted loss per share compared to a \$29,217 net comprehensive loss or \$0.00 loss per share for the same comparative period ended November 30, 2018. The primary component of the current period loss was general and administration costs of \$7,315 (2018 - \$64,392).

### **Financial Results for the nine months ended November 30, 2019 and 2018**

For the nine months ended November 30, 2019 the Company reported a \$56,049 net and comprehensive loss or \$0.00 basic and diluted loss per share compared to a \$96,494 net comprehensive loss or \$0.00 loss per share for the same comparative period ended November 30, 2018. The primary component of the current period loss was general and administration costs of \$64,392 (2018 - \$96,246). These expenditures were off-set by interest income of \$9,420 (2018 - \$1,268).

The summary of general and administrative expenditures included:

	<b>2019</b>	2018	Variance
	<b>\$</b>	\$	\$
Accounting and legal	<b>4,000</b>	25,357	(21,357)
Conferences	<b>621</b>	-	621
Consulting	<b>17,625</b>	50,208	(32,583)
Website, shareholder communication	<b>2,996</b>	-	2,996
Office and administration fees	<b>20,698</b>	2,396	18,302
Regulatory fees	<b>7,729</b>	3,110	4,619
Rent	<b>6,750</b>	3,450	3,300
Transfer agent fees	<b>1,722</b>	4,139	(2,417)
Travel	<b>2,251</b>	6,463	(4,212)
	<b>64,392</b>	95,123	(30,730)

General and administrative expenses saw an overall 32.31% decrease in general and administration costs for the period ended November 30, 2019 in comparison to the prior period.

Categories to note included:

*Accounting and legal – saw a decrease in the current period wherein the prior year period the Company had recorded its year end audit fees as well an increase in legal fees in relation to the Company's prior year annual general meeting and private placement completed.*

*Consulting fees – saw a decrease in the current period for the CEO and CFO as a result of the completion of the 2019 field season and limited corporate activity to reserve working capital.*

*Website, shareholder communication – increase in expenditures included the increase in news dissemination and website development.*

*Transfer Agent – decrease in expenditures was related to a decrease in activity.*

*Travel – decrease in travel was limited to reserve working capital.*

### Summary of quarterly results

The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

	For the quarters ended			
	November 30 2019	August 31 2019	May 31 2019	February 28 2019
Total interest income	\$-	\$1,378	\$8,040	(\$3,067)
Net loss	(\$7,675)	(\$22,48)	(\$25,968)	(\$204,230)
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)

  

	For the quarters ended			
	November 30 2018	August 31 2018	May 31 2018	February 28 2018
Total interest income	\$2,992	\$567	\$701	\$607
Net loss	(\$25,980)	(\$50,816)	(\$16,706)	(\$3,664)
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

Other Significant variances to note included:

During the fourth quarter February 28, 2019, the Company reported a loss of \$204,230 or \$0.01 loss per share. The primary component of the period loss included the write-off of the Little Fort property of \$115,781. Additionally, the Company recorded share-based payment expenses of \$42,684 in connection with the grant of 1,180,000 options in January 2019.

During the period ended August 31, 2018 general and administration expenses increased due to higher professional fees incurred in connection with financing and corporate matters described herein.

### Liquidity and capital resources

	November 30 2019	February 28 2019
<b>Financial position:</b>		
Cash	\$55,233	\$1,247,504
Working capital	(\$6,974)	\$789,978
Total Assets	\$1,438,865	\$1,884,451
Shareholders' equity	\$1,306,602	\$1,362,934

As at November 30, 2019 the Company had a working capital deficiency of \$6,974 (February 28, 2019 - \$789,978). The decrease in working capital was primarily in relation to the exploration expenditures incurred at the Company's Big Kidd project during the nine months ended November 30, 2019 and general administrative expenses as detailed hereinabove.

The Company has not yet generated revenue to date and the Company's activities have been funded through equity financing and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations for the advancement of exploration and development of its exploration assets.

There can be no assurance that the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

### Off balance-sheet arrangements

There are currently no off-balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

## Transactions with related parties

### a) Key Management Compensation

	November 30 2019	November 30 2018
Key management personnel compensation comprised:		
Consulting fees:	\$25,325	\$42,750

- i) Consulting fees of \$9,750 (2018 – \$28,250) were paid or accrued to Charlie Cheng, the President and CEO and director of the Company.
- ii) Consulting fees of \$8,625 (2018 – \$Nil) were paid or accrued to Minco Corporate Management Inc. (“Minco”) a company controlled by Terese Gieselman a director of the Company. Ms Gieselman was appointed interim CFO effective May 15, 2019.
- iii) Administration fees of \$6,950 (2018 - \$Nil) were paid or accrued to Minco in relation to providing administrative and accounting employment services.
- iv) Consulting fees of \$Nil (2018 - \$14,500) were paid or accrued to Sam Wang and/or Canadian Regal International Finance Inc., a wholly owned company of Mr. Wang the Company’s former CFO and director. Mr. Wang resigned on May 15, 2019.

### a) Related Party Liabilities

Amounts due to:	Service for:	November 30 2019	February 28 2019
Minco	Consulting Fees	-	\$4,961
Minco	Expenses	-	1,775
Charlie Cheng	Consulting Fees	-	13,781
Charlie Cheng	Expenses	-	3,797
Canadian Regal International Finance Inc.	Consulting Fees	-	3,150
Golden Ridge Resources Ltd. <sup>1</sup>	Rent & Expenses	-	1,575
<b>Total related party payables</b>		<b>-</b>	<b>\$29,039</b>

<sup>1</sup> Golden Ridge Resources Ltd. has a common officer of the Company and expenses are incurred for shared office space. Amounts due to related parties are without interest or stated terms of repayment.

### b) Rent

The Company currently pays Golden Ridge Resources Ltd. rent and expenses on a month to month basis for shared offices space at approximately \$750 per month effective September 1, 2018 for total \$6,750 as at November 30, 2019 (2018 -\$Nil).

## Critical Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. 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. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

### Going Concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### *Impairment of Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

### *Valuation of Share-based Payments*

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

### **New Accounting Standards Adopted During the Period**

The Company has adopted the following new and revised accounting pronouncements:

#### ***New Standard IFRS 16 "Leases"***

On March 1, 2019 the Company adopted the new standard IFRS 16 which replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing single, on-balance sheet accounting model that is similar to current finance lease accounting, with the limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is applicable to the Company's annual period beginning on or after March 1, 2019. There are no expected changes to the carrying value of any of the Company's assets or liabilities as a result of the adoption of this new accounting standard and there was no impact as a result of the adoption of IFRS 16 as the Company is not subject to any leases.

#### ***New Standard IFRS 2 "Share-Based Payments"***

On March 1, 2019, the Company adopted the new accounting standard IFRS 2. The amendments eliminate the diversity in practice in the classification and measurement of particular share-based payment transactions which are narrow in scope and address specific areas of classification and measurement. The Company has concluded that there is no significant impact resulting from the application of the new standard on its financial statements.

### ***Financial instruments and other instruments***

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

### **General Objectives, Policies and Processes**

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of interest rate and commodity price risk.

#### Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and non-interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Cash and guaranteed investment certificates are subject to floating interest rates.

The Company as at November 30, 2019, does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

#### Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

#### Foreign Exchange Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

#### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and receivables. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to endeavour that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, circumstances may arise where the Company is unable to meet those goals. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company endeavours not to maintain any trade payables beyond a 30-day period to maturity.



### Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. The statements of financial position carrying amounts for receivables, and trade and other payables approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

The fair value of the sale of cash and cash equivalents, has been determined by reference to published price quotations in an active market, a Level 1 valuation.

### **Capital Management**

The Company monitors its common shares, warrants and stock options as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended November 30, 2019.

### **Outstanding Share Data**

Julian's authorized capital is unlimited common shares without par value. As at the date of this report 31,286,667 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise price	Expiry Date
Stock Options	1,155,000	\$0.07	Dec-17-2023
Agents Warrants	105,000	\$0.10	Dec-24-2019
Share Purchase Warrants	15,166,667	\$0.10	Jun-15-2021

### **Shares in Escrow**

As at the date of this report hereof there were no shares held in escrow.

### **Risks and uncertainties**

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and is subject to fluctuations in market sentiment, metal prices, foreign exchange and interest rates. There is no certainty that properties which the Company has described as assets on its balance sheet will be realized at the amounts recorded. The only sources of future funds for further exploration programs or, if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company has been successful in accessing the equity market during the past years, there is no assurance that such sources of financing will be available on acceptable terms, if at all.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all professional consultants carry their own insurance to cover any potential liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

### **Going Concern**

The Company has not generated revenues from its operations to date. These condensed interim financial statements are 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 Company had a net loss of \$56,049 for the period ended November 30, 2019 (2018 - \$96,494) and has accumulated a deficit of \$2,353,831 (February 28, 2019 - \$2,297,781) since inception. The Company will continue to have to raise funds to resolve its current working capital deficit in order to continue the development of its exploration properties and general operations.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's accompanying financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

### ***Other Requirements***

Additional disclosure of the Company's material change reports, news release and other information can be obtained under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).